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The Nation's Business

C. N. R. Bottleneck or Political Debt?

The war is not being allowed to interfere with the completion of the Canadian National Railway terminal at Montreal.

The Government has appropriated another $6 millions for that work bringing the total outlay to $28 millions. Parliament approved the expenditure because it was informed that existing facilities in Montreal constituted a "bottleneck" and interfered with the flow of war traffic to the Maritimes. But what is the "bottleneck" that is causing concern?

Speaking in the House on July 30, Hon. C. D. Howe, former Minister of Transport and now Minister of the Department of Munitions and Supply, gave an answer.

He said that before providing for the appropriation, the Government had to take into account the war traffic. "We had to look back at the records of the last war," he said, "in order to ascertain where the bottlenecks occurred." He went on to mention the heavy increase in traffic to the eastern Canadian ports at this time. "We had to count on that extra traffic passing through the terminal in Montreal, and we had to re-assess the value of having adequate trackage and an adequate layout in that area."

* * *

Mr. Howe's explanation is not the same as that given in Mr. Hungerford's evidence before the Railway Committee on July 16. The president of the Canadian National Railways, said:

"the institution of the Montreal terminal as now contemplated arose out of a grade-crossing elimination job."

The terminal plan was later expanded to consolidate three out of four separate passenger stations "into one station."

"In regard to the so-called bottleneck," Mr. Hungerford told the committee, "the separation to the extent that it will be accomplished with respect to passenger and freight business will not be a complete separation, but it will do a great deal to facilitate the free flow of freight through the Montreal terminals where there is a very heavy volume of traffic."

Mr. Hungerford speaks as an authority. It seems apparent from his evidence that there is only a "so-called" bottleneck at Montreal. Mr. Hungerford gave no suggestion that completion of this $28 million undertaking would have any influence on the movement of war traffic passing over the Canadian National lines through Montreal to the Maritimes.

Montreal may need a new passenger terminal (one that eliminates grade-crossings) but the expenditure of many millions of dollars in wartime to pay off a political debt is not warranted, especially when such expenditure is disguised as a move to eliminate a non-existent bottleneck.

* * *

Manager Duncan Getting Results

This week The Post tells the story of the Commonwealth Air Training Plan which James S. Duncan, its dynamic "general manager" appropriately describes as the biggest business enterprise in Canada.

One feature of this programme is that it has borrowed many of the principles of a successful private corporation. Under his minister, Hon. "Chubby" Powers, Mr. Duncan seems to have been given complete responsibility just as the general manager in any private firm. Mr. Duncan in turn has planned and organized each division of work with a capable and responsible executive in charge. These men are responsible directly to their "manager." There seems to be a minimum of red tape and "interference" and a clear delegation of responsibility under one co-ordinating administrator.

Fortunately Mr. Duncan has agreed to stay at Ottawa for another three months. When that time is up, if no equally competent "general manager" can be found, it may be necessary to coopt Mr. Duncan's services for a further period of time to ensure that Canada and the Empire gets the utmost results from this tremendous undertaking.

* * *

Board of Referees For Tax Rulings

Ottawa is depreciating business fears as to the operation of the so-called "excess" profits tax. Officials point out that only a relatively small number of companies are involved in the tax, that for one reason or another the great bulk of small corporations are not involved. The figure of companies actually concerned is placed at about 1,000. Presumably this includes only the remnant of companies which will pay the 75% rate. Actually, of course, all companies will pay the 30% rate provided under the E.P.T. Act.

Assuming the Ottawa estimate is correct, the point is still well taken that the incidence of the tax is causing considerable confusion in business.

The thousand firms which will

(Continued on page 2, col. 3)

Canada On New Ground In Wheat

Holding of Primary Product to be Financed For First Time—Forced by Surplus

From Our Own Correspondent

OTTAWA.—War and loss of markets have forced Ottawa to break new ground in its wheat policy this year.

Never before has Canada undertaken to finance withholding of a primary product from the market, either from necessity such as the present lack of export outlets or, officially, in an attempt to bolster markets and prop prices by artificial limits on supply. But pressure of circumstances has thrust the Government along this new line to meet fresh, war-forged developments in the nation's wheat problem.

Once before, during the depression years, Canadian wheat was held off world markets. But that move differed in several respects from the present Government plan. It was not part of official government policy, though undertaken by the wheat pools and the Wheat Board with indirect financial and appointive links with Ottawa. It did not extend back to the grower or involve storage by the primary producer.

And it did not arise from lack of markets or effect arbitrary restriction of supply available from primary sources. Rather it was an attempt to hold back deliveries—readily available and with a market awaiting them—for prices which prospective buyers were unwilling to pay. It was a bargaining deadlock, a pressure for price, and not a deliberate policy (official or otherwise) to store production and keep it completely off the market. Supply was curtailed only at the price offered.

Grain Held Back

There is no question about the present scheme being official and considered policy. Millions of bushels of Canadian grain will be kept off the market, and the Dominion Treasury will pay the farmer to hold it. Available storage facilities will bulge to capacity with other millions of bushels.

This will not be because the Government or marketing agencies don't want to sell, or are holding out for

(Continued on page 2, col. 3)

Bread Prices Are Pegged

Bakers See Elimination of Low Priced Bread as Result

Any doubts as to what might happen to bread prices in Canada as a result of the 15-cents a bushel processing tax placed on wheat have been removed by an order issued by the Wartime Prices and Trade Board effective August 7. This order prohibits any increase in the selling prices of bread above the levels prevailing on July 23, date at which the processing tax was announced.

Action of the Board, first time that it has actually stepped in to control prices to be paid by consumers, follows reported increases of a cent a loaf in bread prices by Vancouver bakers. For the most part bakers in Canada had delayed making any changes pending study of the effect of the tax and consultation with Ottawa authorities.

The actual effect of the Aug. 7 order is that the tax must be shared by the bakers and the millers. It amounts to 70 cents a barrel of 196 lb. of flour sold for consumption in Canada. This has been calculated as equivalent to slightly over two-fifths of a cent on a 24-oz. loaf of bread. Approximately 170 such loaves are made from a barrel of flour.

Tax to be Shared

The order issued by the Wartime Prices and Trade Board specifies that the maximum price per pound at which any grade or type of wheat flour may be sold for consumption in Canada is to be the price charged for that particular grade or type on July 23, 1940, to which may be added not more than 35 cents per barrel of 196 lb. as a portion of the processing tax. In the case of flour

(Continued on page 2, col. 4)

Coming In The Post

Major new development in Canada's larger, intensified war effort has been creation of Government-owned companies to co-ordinate and supervise flow of supplies or production of equipment. Operating as non-profit auxiliaries of the Department of Munitions and Supply, with outstanding industrialists and businessmen as directors, these concerns are performing an important part in assuring a unified, speeded effort on the industrial front.

As result of an exhaustive survey by a staff writer of The Post, an early issue will tell what these companies are, the nature of their functions, what they have done and are doing, what they plan to do. The analysis will throw a brilliant spotlight on this phase of Canada's contribution in the vital realm of war supply.

THIS ELEVATOR
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So great has been the torrent of Canadians storming the offices of United States consuls to get passports viséd that the normally adequate staffs cannot keep up with the demand even by working every night. Photo shows the special elevator just set aside for the U. S. consulate "customers" in Toronto.

Highlights OF THIS ISSUE

Commonwealth air training plan is the key to final British victory over the Hitler juggernaut. Ronald A. McEachern outlines the ramifications of this tremendous scheme and the way in which problems are being surmounted.

Canada Now Forging—p. 9.

* * *

Common stock investments of life insurance companies are defined by Dominion Government statute. The way selected issues conforming to requirements have acted in 1940 and the likely effect of war on them are reviewed by A. G. Walwyn, Toronto investment analyst.

Legalized Blue Chips—p. 16.

* * *

Thirteen new mines have commenced dividend payments so far this year, attesting the fact that low mine share prices are not entirely attuned to developments.

13 New Mines—p. 15.

* * *

Municipal government was found functioning with old fashioned machinery by the Rowell-Sirois Commission Report. The Commission indicated the problems that must be dealt with in any overhaul.

Local Government—p. 10.

* * *

The steel industry enjoyed higher profits in 1939 than in the previous peak year of 1937, according to this week's Balance Sheet of Business covering the steel industry.

Primary Steel Cos.—p. 11.

* * *

General Index on p. 2.

Formalities Stall O.K. on Passports

U. S. Consular Service Here Sits Up Nights But Still Hold Back Canadians on Business Visits

Hundreds of Canadians seeking to visit the United States are meeting delay in getting their passports viséd by the American authorities.

Every day the offices of the American Consulate in Toronto, which probably are typical, are thronged with would-be travellers anxious to get the visé which for the first time in "modern" history is now necessary for crossing the international line. Owing to office accommodation and personnel not being geared to the present volume of business, it takes anywhere up to two or three weeks or longer to get a passport viséd.

Up till a short time ago, there was none of this bother. Canadians entered the United States without any passport being required.

Under war conditions, however, the United States became anxious to keep tab on all persons entering the country, no matter where from. The passport is issued by the Canadian Government but has to be viséd by the United States Consul before being accepted at the border.

The usual procedure is for an applicant for visé to go in person to the Consular offices to make an appointment for an interview. For this, under present conditions, he may have to stand in line for hours, one, one and a half and two hours being cited to The Post in three cases.

Then follows an interview which at present comes about a fortnight after the first visit. This usually takes about 20 minutes. Questions are asked as to the applicant's reasons for travelling, past history, etc. This information is checked, forms are filled out and records made.

When the information has all been taken, another appointment is made for the return of the owner of the passport to the office to sign the statement and get the Consul's visé.

Officials state that they attempt to give prior consideration "to urgent cases."

The present consular staff is reported working furiously to handle the business—and to make the historic system work.

It is estimated that somewhere about 250 passports a day are viséd.

Under Canadian monetary regulations nobody is supposed to be going to the United States except for important business or personal reasons. These must be disclosed to the Canadian authorities before the Foreign Exchange Control Board will issue a permit to take money out of the country.

Profits For 'Steamers' Climbing

Higher by $600,000 Before Income and E. P. T. in Half Year

From Our Own Correspondent

MONTREAL.—Net profit of Canada Steamships Lines Ltd., before income tax and provision for "excess" profits tax increased more than $600,000 in the six months ended June 30 over the same period last year, W. H. Coverdale, president, states.

It is expected earnings for the last half of the year will be close to those of the same period in 1939. On this basis the company would show net profit of approximately $960,000, after depreciation and bond interest, but before income taxes and "excess" profits tax. This compares with $362,189 last year, which was before income taxes.

From earnings in the current year, regular income taxes and the "excess" profits tax must be deducted.

In 1939 deduction for income taxes totalled $85,000, leaving net profit of $277,189. This compares with net profit of $258,563 in 1938 and $235,495 in 1937.

"Depressed" Industry

Canada Steamships is one of the so-called depressed industries. If "excess" profits tax were paid on the four base years specified in the new act, 1936-39 inclusive, the company would pay all its earnings to federal and provincial governments.

In these four years aggregate net loss before income taxes totalled $654,121, or an annual average net loss of $163,530.

Special provision is made, however, for industries depressed during these four years. A Board of Referees will determine a standard of

(Continued on page 2, col. 6)

Firms May Register Own Employees

From Our Own Correspondent

OTTAWA.—All firms employing 100 workers or more will be able to establish registration polls of their own and complete the registration of employees any time before August 21.

Supplies for registration have now been distributed. Polling booths will be open August 19, 20 and 21. Where an industrial organization establishes its own poll, it will be able to start registering its own labor any time after August 5.

Employees of firms with staffs of less than 100 will be entitled to time off to visit regular registration booths, though this is by arrangement with the employer.

Applications from firms wishing to set up a special polling division must be made to the registrar of the constituency. The firm must bear all expenses of providing accommodation and assistant registrars for special centres.

Hint Move to Save Exchange on Oil

Invites Names For New Posts

From Our Own Correspondent

OTTAWA.—A start will be made almost immediately in setting up the unemployment insurance scheme, now approved by both houses of parliament.

First action will be to appoint three commissioners to administer the scheme, a chairman appointed by the Government, and a commissioner representing labor and one representing employers.

A supplementary vote of $2 millions is available for the expense of launching the scheme, which in operation will cost the Federal Government more than $5 millions a year.

Construction of a new building to house the commission and its staff, which will exceed 3,000 persons, is a possibility.

Nominations for commissioners will be secured from labor and employers.

Events May Hit B. C. Japs

London-Tokio Embroglio May Raise Problem in Ottawa

From Our Own Correspondent

VANCOUVER. — Penetration of Japanese into the industrial life of British Columbia is a question likely to receive closer attention at Ottawa as a result of recent events in the Far East and in London.

British Columbia's members in the House of Commons have been fighting for years against various forms of encroachment by Asiatics, for a closer curb on Japanese immigration and reduction in Japanese fishing licenses.

Some progress has been made. Few Japanese are now being admitted or are seeking admission into Canada, and Japanese fishing licenses have been reduced even though they still represent a large proportion of the total.

Industrially, however, Japanese competition is as strong as ever. Japanese are now engaging in almost every type of commercial business in Vancouver. They control the small fruit crops of the rich Fraser Valley and have penetrated the Okanagan orchard country.

Hold Considerable Timber

Most of the Japanese lumber organizations are of small importance, although considerable standing timber is still held by Japanese on the west coast. Since the new Canadian timber control clamped down on export of Douglas fir logs to non-Empire countries, Japan has been denied the privilege of buying raw materials in the B. C. timber market and then converting it into lumber in the Orient—a practice encouraged by the Tokio Government to save exchange.

Japanese are still employed to some extent in the pulp and paper mills, although the explanation once given that this practice was to maintain goodwill in an important market no longer holds, inasmuch as Japan has been buying virtually no pulp

(Continued on page 5, col. 4)

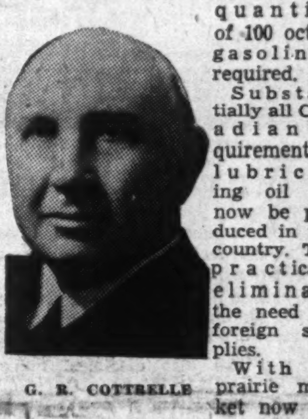
May Cut Imports of U. S. Gasoline — To Speed Output

Important developments affecting Canada's gasoline and crude oil situation were reported to The Financial Post in an interview with George R. Cottrelle, oil controller for Canada.

Not one dollar of our vital—and limited—supplies of foreign exchange is to be spent on foreign oil or gasoline that can be saved, Mr. Cottrelle indicated. Government policy on oil is significant to the public and to producing, refining and marketing interests in the following respects:

1. Imports of foreign gasoline will be eliminated as much as possible in the near future by a fuller utilization of gasoline producing facilities at present existing in this country.
2. A measure of Government control over the exploitation of potential oil land and the drilling of new wells may be exercised through a system of licensing.
3. Encouragement of greater production of crude oil in Canada is planned. Legislation and taxation are now under review to see what can be done in this regard.

Marketing problems for Turner Valley crude oil appear to be over for the duration of the war, it was pointed out. The amount of oil taken from the field in the future will be its maximum efficient output.



G. R. COTTRELLE

Canada is now assured of all the supplies of aviation gasoline immediately needed since only a limited quantity of 100 octane gasoline is required.

Substantially all Canadian requirements of lubricating oil can now be produced in this country. This practically eliminates the need for foreign supplies.

With the prairie market now experiencing its peak demand for oil, Turner Valley is unable to take care of the full market requirements. July 18 Mr. Cottrelle asked the Petroleum and Natural Gas Conservation Board to test the actual maximum efficient production of each well and thereby the output for the whole field.

From information supplied by the Conservation Board, Mr. Cottrelle stated that 27,000 barrels daily is the maximum efficient production to be expected of the field from the wells now in existence. This 27,000-barrel flow is 4,136 barrels short of the requirements anticipated by certain refineries. Other refineries are still to be heard from and present shortage is estimated to be at least 5,000 barrels daily.

To Operate Efficiently

While Turner Valley might produce considerably more oil by operating on less than the most efficient basis, this is not considered desirable. Letting wells produce too

(Continued on page 2, col. 7)

War Publicity Problem Spotlighted in House

List of Ottawa Press Liaison Officers Reveals Multiplying of Staff Without Co-ordination—Cabinet Grapples With Lack of Results

From Our Own Correspondent

OTTAWA.—The Cabinet has suddenly awakened to the meagre and confusing results of its course on war publicity and propaganda. Allowing publicity services to mushroom with no clear unity of purpose or co-ordination, and with a consequent lack of public enlightenment on Canada's war effort, has boomeranged on the Government as a war problem of first magnitude.

It is now seeking ways and means of getting over to the public, both here and abroad, a fuller and clearer picture of Canada at war. It is finding that it must first sweep away the confusion of purpose and often amateurish methods, reflected in the previous policies of different ministers and departments.

Ottawa is discovering that nearly all of the ministers and executives involved in the problem had widely different notions as to both the purpose of publicity or propaganda and the most efficient way to achieve that purpose. In many cases these notions have proved woefully inadequate.

Machinery Breaks Down

In some cases, a minister or department with a sound idea of publicity has failed to provide the proper machinery or the machinery has failed to produce. In other cases, excellent machinery has been braked down by distorted objectives, or by suppressive tactics of department officials or senior officers in the armed forces.

What can be done to clear up misconceptions, to keep fresh facts flowing to the public, and above all, to maintain public confidence in the war effort?—these are the problems that face Ottawa.

Total of 13 departmental directors of publicity and press liaison officials were disclosed in a parliamentary return sought by H. R. Jackman (Cons. Rosedale), without counting the director of public information, G. Herbert Lash, and his staff.

No disclosure was made regarding the Foreign Exchange Control Board, though a memorandum regarding the Board is being prepared.

Roster of Publicity Men

Full list of publicity men included:

Fisheries: H. F. S. Paisley at $3,780, appointed in 1929, former editor of Daily Record, Sydney, N.S.

Labor: R. A. Brown at $4,500, formerly with National Employment Commission.

National Defense: Major T. Wayling at $4,208, formerly of parliamentary press gallery and Capt. L. A. S. Labelle at $3,776, formerly of parliamentary press gallery.

Naval Service: Acting Lieutenant John V. Farrow at $8.60 a day, playwright and author.

Air Ministry: Flying Officer R. C. MacInnes, at pay and allowances of his rank, formerly of parliamentary press gallery.

J. W. G. Clark at $6,500, formerly of Cockfield, Brown & Co. Ltd.

I. Norman Smith at $4,000, formerly assistant general manager of The Ottawa Journal.

Pensions and National Health: F. W. Rouse at $2,640, formerly with The Ottawa Journal.

Post Office: W. J. Turnbull at $4,500, a post office employee since 1915.

Trade and Commerce: H. E. M. Chisholm, at $4,000, journalist.

Transport: W. H. Van Allen at

(Continued on page 2, col. 1)

The War And Business . . *A Weekly Round-up*

This week, as the Axis sought to cut the British lifeline to the East, the major developments in Canada were the adjournment of Parliament to November 5 and the drastic punishment meted out to bumptious would-be Fifth Columnist Mayor Houde of Montreal.

Adjournment of Parliament gave ministers a chance to spend some time in their offices catching up on their war work. It also gave Canadians a brief holiday from new taxation. But it is obvious that when Parliament meets again new tax burdens will be imposed since Canada's war commitments are already $1,036,118,168 for the current fiscal year apart from normal routine expenditures.

* * *

New Industries

Canadians are beginning to realize what it means to be on their own in the matter of defense preparations. This country is now manufacturing, or preparing to manufacture, war supplies of types never before made in this country; supplies which, as a matter of course, we always counted upon Britain to supply.

Dunkerque, with its terrible loss of material supplies, gave the real impetus to the planned construction of $170 millions of plants that when complete will be capable of producing over $500 millions of materials annually. It's easy to dash off figures like these. But one should pause to weigh them.

Mr. Howe says Canada will be producing 360 airplanes per month by the spring of 1941 and that the production rate will continue to increase after that. That is at a rate almost equivalent to the number of airplanes Britain is now getting monthly from the U. S. A.

But there is still to be no engine manufacture here.

* * *

Other Industries

Tremendous is the speed with which Canada's automotive industry has been turned over to production of a wide variety of mobile war equipment. Mr. Howe said that Canadian motor transport is the best yet produced in this war—which is incidental but important evidence that the Canadian motor industry is not just a lean-to on the big U. S. plants. The figures cited by the Minister last week were impressive; 600 units a day, soon to be greatly increased, is Canada's output of automotive equipment for war.

What are some of the brand new products Canada is to make? They include optical glass, fire control apparatus and predictors, sound detecting apparatus and a new chemical never before made in the British Empire.

The significance of such facts can easily be lost. That such things are to be made in Canada proves that this country has long passed the colonial stage of industrial development. Canada is a full-grown industrial country capable of taking on any job. A few months ago Mr. Howe was saying Canada could not make tanks. Today tanks are among the least of the highly technical products the war is bringing into production in this country.

* * *

Plants Will Remain

Long after this war is over the plants will remain. They will continue to produce, once they have been adapted to peacetime purposes.

Not all of the new plants will, however, be turned back to peacetime purposes when peace comes. It is becoming increasingly evident that Canada will never again be able to drift along with the inadequate defenses of the years 1918-1938. It is also becoming evident that it will be permanent policy for a larger proportion of Empire arms and munitions manufacture to be concentrated in Canada. Canada is becoming in wartime the arsenal of the Empire and it will remain that when the war is over.

* * *

Labor Problem

Canada's labor reserve is now at the lowest point in a decade. Right now the most troublesome feature of Canada's labor problem is the "stealing" of skilled workmen by industries hard pressed to maintain and increase production schedules. As yet, Ottawa's Labor Department has not shown itself capable of finding a satisfactory answer.

What every foresighted plant superintendent is vitally concerned about is the day when no amount of "stealing" will provide sufficient skilled artisans to do the jobs which have to be done.

That day is placed by some as not more than two to three months away. Others think the problem will not become acute for six months or until the majority of the huge new industrial munition and armament plants now under construction start to tool up and require skilled help.

In any event what is most feared is that unless more vigorous, effective action is taken now by Ottawa to arrange priorities (especially in connection with the forthcoming mobilization act) and exert a stronger control of the labor situation generally, this bottleneck may assume alarming proportions.

* * *

More Training

Training pilots is becoming increasingly difficult in Britain. One problem is that of space. Another is that of separating training planes from combat planes. The first may easily get in the way of the second, or come within range of Britain's own A. A. defenses. Another problem is that of bombing of air fields.

For these and other reasons another major move in the direction of training pilots in Canada is indicated. Britain, it is said, will shortly shift practically all of its air training to Canada, thus adding tremendously to the total number of pilots being turned out in this country under the Commonwealth Air Training Programme which is already scheduled to train some students from Britain.

* * *

U. S. Opinion

Suggestion of the New York Herald Tribune that there should be a treaty of mutual defense between Canada and the United States is far ahead of U. S. opinion. The H. T.'s arguments are unanswerable: the two countries do indeed stand or fall together. But at a time when the American mind is in a state of puzzled immobility regarding such simple issues as salvaging obsolete naval equipment by selling it to the Allies for cash, it is not likely that suggestions for a treaty of mutual defense could be "sold" to the American people. Attempting it now would probably jeopardize the possibilities of arranging a fully effective treaty at a later date.

In the meantime Canada has unreserved promises of American aid if this country is aggressed; we are getting substantial co-operation from American suppliers; and informal staff talks on problems of mutual defense have—as this column has reported—been in progress recently. These no doubt represent the limit to which American opinion is carried at this moment.

The Herald Tribune is one of the Allies' strongest journalistic allies in the United States. It has recently given space to numerous letters from readers urging that the United States declare war at once. One of the best of these letters was from the pen of Lawrence Hunt, who leaped into fame for his "Pontius Pilate" letter in the N. Y. Times last January. He urged Americans to fight the war now, side by side with other English-speaking peoples, so that they would not later have to fight it alone.

* * *

Hitting at Britain

As a further development in the battle of U. S. opinion, Col. Lindbergh, whose mother was a Canadian and after whom Canada once named the chief airfield in its national capital, is revealing himself more openly as chief anti-Allied propagandist across the line. He has just made a vigorous pro-Nazi speech at a rally backed by Nazi Bund organizations.

But a new Fifth Columnist appeared in an unexpected quarter when James D. Mooney, export vice-president of General Motors, came out with a defeatist article in the Saturday Evening Post that said it's up to the U. S. A. to stop the war now and effect an "honorable peace" on the basis of something like the present status quo. Mooney's article suggested that Hitler had won the war; it was "high time" for powerful Uncle Sam to step in and save "our friends" in England from further beating.

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War Publicity Spotlighted

(Continued from page 1)

$2,520, formerly of trade and commerce department.

Wartime Prices and Trade Board: Reille Thomson at $75 a week, public relations counsel, Montreal.

The return also disclosed three liaison officials in the department of munitions and supply, though their duties are known to be other than publicity in the ordinary sense of the word.

Three officials named as liaison men in the munitions and supply department were C. A. Banks, managing director of Bulolo Gold Dredging Ltd., at no salary; H. B. Chase, Canadian vice-president of Brotherhood of Locomotive Engineers, at $7,750 per annum and $75 per month living allowance while in Ottawa; and J. B. Carswell, former president of Burlington Steel Co., at $10 per day.

Weapon of War

With a sleek, uncrupulous propaganda machine marching elbow to elbow in Germany with the enemy's military machine, the question of vital public information is being recognized, somewhat belatedly, as a matter of life and death.

But the politicians of Ottawa are no experts in public relations, and this has been painfully apparent as the war effort has got clouded by the mere absence of information about it.

There is an old unwritten law in Canadian public life: Don't use public funds to boost your own political stock. The fear of having publicity activities misunderstood has evidently been one of the obstacles to a real information effort.

Find Queer Ideas

If it were merely a question of Ottawa not getting credit for what has been done, or blame for what it has omitted to do, time could be counted on to adjust the balance. But strong, steady public support based on clear understanding of facts, be they grave or optimistic, is something that transcends politics in modern warfare.

New war departments have developed their own publicity services, each working according to different ideas. Staffs of writers and press men have been taken on at the Defense Department, the [illegible] Ministry, the Naval Ministry, the [illegible]ions & Supply Department. [illegible] the Director of Public I[illegible] on a staff prepares and issues releases.

Hard to Get Facts

Still the basic complaint of newspapermen, trying to get new facts and accurate interpretations for their papers, remains unanswered. News sources remain in many places inaccessible, or as difficult of access as royalty itself.

The news handout has seen extensive development in Ottawa, but it has done little to satisfy the newspapers' desire to obtain facts for treatment in their own way for their own audiences.

The present director of public information, G. H. Lash, formerly Canadian National Railways publicity man, has admittedly been working under difficulties. One of those difficulties is the lack of agreement among Cabinet ministers regarding the objectives to be sought in an information service and the methods to be used. Another is lack of adequate funds, working quarters and staff.

Survey Made

The information bureau was recently transferred to the new. Department of National War Services, under Hon. J. G. Gardiner. D. B. Rogers, managing editor of the Regina Leader-Post, was retained to conduct a survey of the situation and make recommendations.

In some phases of its work, the information bureau has won wide public applause. The "Face the Facts" broadcasts of Dorothy Thompson and F. T. Birchall were as good as anything of the kind provided by the British Ministry of information.

One glaring lack that exists in the information service available in Ottawa is in news pictures. With a day to day panorama of national news unfolding in the capital, hardly any pictures of spot news value get into the press. Yet Ottawa is the crossroads of national life, and it is full of news, names and picture events.

Fairly wide distribution of notable speeches, containing facts and figures and fine literary touches, has been developed by the information bureau. This is the raw material out of which come countless service club speeches, sermons and other addresses.

Working newspapermen find that with hand-out machines available in such departments as Defense, Air, Munitions and Supply, and the Foreign Exchange Control Board, there is little effort made to link them to events in Parliament, which after all is the main source of news.

SCHOOLS AND COLLEGES

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SCHOOL RE-OPENS TUESDAY, SEPTEMBER 10th.
A prospectus and full information sent on request.
H. C. GRIFFITH, M.A., LL.D., Headmaster

The Nation's Business

(Continued from page 1)

pay this tax are the most important firms—in terms of assets, number of employees, investment interest, business transacted—in the Dominion.

For example, The Financial Post Survey of Corporate Securities which includes virtually every company in which there is an investment interest. covers less than 1,500 companies. Most of these are firms which are vitally concerned with the operations of the act. Many of them are anxious to get advice and rulings as to how the new taxes will affect their earnings and accounting practice.

* * *

One group of companies especially affected by the act are those in the so-called "depressed" industries. Hundreds of firms believe their earnings between 1936 and 1939 do not represent true earning power. They feel they have been operating under depressed conditions.

The act recognizes such conditions by providing a new base on which the E.P.T. will be paid. It provides also for a board of referees to adjudicate these matters.

Many firms are anxious to see this Board of Referees set up without delay. Otherwise investors and management may be penalized by uncertainty as to financial and accounting policy.

Assurance that this board and its accompanying machinery will be put into operation promptly should be forthcoming from Canada's able and efficient Income Tax Commissioner, C. Fraser Elliott, K.C.

* * *

Supply of Wheat Must Be Controlled

In the current issue of his business statistical service, W. Sanford Evans of Winnipeg makes some sage comment about Canada's wheat dilemma.

He suggests that our present situation has been aggravated and our future outlook imperilled by the fact that a fixed minimum price for wheat (even though the price is low) has made wheat the safest crop a farmer can grow in these confusing times. In spite of a carryover which is enough to provide exports at the pre-war average for the next crop year and a half without touching our 1940 crop, Canada is now harvesting a crop grown on the largest wheat acreage she has ever sown.

* * *

Wheat has become a crop in which the responsibility for regulation of supply is not now recognized and accepted by any authority or group. The more a farmer can conveniently produce the bigger the income he can be sure he will get.

Obviously Canada cannot continue to plant larger quantities of wheat in the hope that all this wheat will be needed when the war ends. Unless and until some effort is made by the Government to control the supply of wheat—which means in effect some form of control over next year's plantings—there can be no assurance that our wheat problem is being competently handled.

It must be a matter of deep concern to all Canadians that this country should even have to consider action of this sort. History is replete with the calamitous consequences of this type of artificial expedient.

Yet if we are to set minimum prices for wheat production we must inevitably consider the logical consequences—namely some form of control over supply.

* * *

Mountebank Houde

If Mayor Houde were anyone but the chief magistrate of Canada's largest city his utterances might have created little interest. Because of his position, however, it is to be hoped no one will gain the impression that this political mountebank was speaking for Quebec or even French Canadians.

He was not.

There can be no doubt on that score. French Canada deeply resents the unfavorable publicity he has brought to Montreal and his own people.

* * *

La Presse, the leading French-Canadian newspaper published in Montreal, put it well when it said editorially:

> "French Canadians, deeply respectful of the principles of authority legally constituted, have been tremendously shocked by the attitude taken by the Mayor of Montreal regarding the National Registration Act. Here is a law that must be obeyed by all. One can hardly understand how the First Citizen of the Metropolis of Canada could express his decision of violating that same law and ask the people who had placed their trust in him to follow in his steps."

Other French papers are equally condemnatory. L'Illustration calls Houde "a political hoodlum," while Le Canada attributed the mayor's disregard of the law to his unquenchable thirst for popularity."

The Government took the right step in putting Houde in an internment camp. If the mayor thought that such action would make a martyr of himself, he is due for a rude awakening. He went out of his way to deliberately sabotage a necessary wartime measure and in doing so did a tremendous disservice to his fellow French Canadians, who have unreservedly supported the war effort.

Canada Breaks New Ground

(Continued from page 1)

a price, but simply because there is no market in which to sell a huge surplus at any price. The blockade, shipping hazards, and other wartime disruptions of normal trade channels have shut off the usual outlets for our harvest.

The formula of financial assistance to the farmer has not been announced. It will have to be found soon. A vast harvest of wheat is ripening in the West. There is no easy yardstick to measure the financial problem involved, to judge the needs of individual farmers who will not be able to sell wheat, perhaps for months.

Only in the United States, under the New Deal's AAA, has anything comparable been attempted. Canada will become a big granary of wheat, but it is not planning to hold back wheat in order to enhance the price. Its sole hope is to carry the biggest primary industry over a period of war collapse. Canada is faced with the impossible alternative of writing off an industry with a billion-dollar annual potential, or the more feasible but costly choice of carrying the wheat farmers for the future.

Market a Fiction

The Canadian market is already a fiction. Nothing can be done to secure a better price by holding wheat. Canada has sold, direct to the British Food Ministry, 100 million bushels for 1940-41 delivery. The reported price is 85 cents, above the pegged price of 71⅝, above the guarantee given to farmers of 70 cents.

When the sale was announced, though it was the biggest transaction of its kind in history, the Winnipeg market never budged, never responded. There will be hundreds of millions more bushels to sell, and nowhere is a market in sight.

War and Peace Asset

The problem is to handle in an orderly fashion a huge and growing wheat surplus. Is there any use growing more wheat? Perhaps not. But in a sense wheat is deemed here to be a vital war store. It is regarded as a secondary weapon in this phase, and an all-powerful factor in establishing the peace when Hitler is beaten.

The event may not happen as Ottawa expects, but Ottawa is gambling that it will, that the world will be hungry for Canadian wheat when peace comes. This is the biggest gamble of Canadian agriculture, and it may cost millions of dollars. But the investment will be worth while, Ottawa thinks, when the day comes for Canada to lay its blue chips of wheat on the council table of the world.

Of course, we cannot go on both producing wheat and paying the farmer to keep it off the market. One adjustment might be to place war industries out West, and put the able-bodied farmers and their sons at direct war work. They constitute the greatest secondary labor reserve in the country, and this reserve may soon be needed not only in the West, but also in war industries in the East.

Good Crop Coming

No one knows how big the crop will be. Good rains across the prairies may bring in the biggest harvest of our history. The crop will probably come to 390 million bushels. The acreage sown to wheat is 27,750,000 acres—biggest in years.

Add existing stocks of 250 millions to a prospective crop of 390 millions and the wheat supply in this country comes to 640 millions. Deduct 415 millions that can be handled in commercial storage, if not sold, and the rest, about 225 million bushels, must be stored on the farms.

The Government is undertaking to control deliveries to the elevators, in order to maintain elbow room in handling the crop, and through the Wheat Board will pay regular storage rates to farmers. The rate will be 1/45 of a cent a day, or one cent every 45 days for each bushel.

That comes to a daily expense of $50,000, going to the farmers of western Canada. If the wheat has to be held for six months, the storage cost payable to farmers will be $9 millions. The new wheat policy has adopted an offsetting factor for this expense. The new processing tax of 15 cents a bushel on wheat used for flour in Canada will bring in up to $7.5 millions.

But paying storage to the farmers will not carry them through the winter. It means about 15 cents a day per farm. They must have some ready money to pay taxes, to operate their farms, to meet obligations. The economic foundation of western Canada rests upon the money that the farmer gets for his crop.

Advances Required

The western farmer will probably require an advance. This may run into millions of dollars. The risk is too severe for the banks alone, or the elevator companies. The guarantee of Ottawa will be required.

There is no need, as far as can be seen, for special measures to assist the financing of wheat storage outside commercial channels. The farmer will have to build bins, add to those he already has. But he will be earning storage on his wheat, and he should be able to get by as far as storage is concerned.

His other needs are the big question mark that hangs over Canada's gamble that wheat will come into its own after the war.

Bread Prices Are Pegged

(Continued from page 1)

sold under contract in force on July 24 for future delivery, the whole of the processing tax may be added to the price of the flour.

For bread of any quality, type or grade, no change may be made in the selling price from that prevailing on July 23. No changes are to be made in the terms of sale which would result in an increase in the price of bread or wheat flour.

Investigation Coming

It is the intention of the Board to make a full investigation of the price factors involved in this tax. The current order is to be in effect at least until this investigation is completed.

Apparently the effect of the order is not expected to be unduly burdensome, at least by some of the larger bakers. One effect is expected to be the clearing up of the unsatisfactory price competition that has prevailed in many centres for several months past. Lower priced bread, on which the margin of profit and ability to absorb the 35 cents a barrel added cost are limited, might be eliminated.

Standardization on fewer types of bread with a greater proportion of sales at the higher levels might go a long way toward offsetting the added cost from the bakers' standpoint.

Flour sold for domestic consumption is an important part of the total and is particularly important to smaller millers. These will be permitted to add half of the processing tax to the price of their flour but have to absorb the balance. The 35 cent share of the tax would apparently be approximately 6% of the per barrel cost of flour in July. With little apparent likelihood that wheat prices will rise to any extent, however, this portion of the millers' cost should be comparatively stable.

GUNNAR OUTPUT UP

Production of Gunnar Gold Mines showed a slight increase in July amounting to $55,196 from 4,309 tons of ore for an average recovery of $12.78 a ton as compared with $55,015 from 4,245 tons of ore and average recovery of $12.96 the previous month.

Bata Unit Here Is Unaffected By Trade Ban

Inclusion of branches and agencies of the Bata Shoe Co. of Czecho-Slovakia in 15 neutral countries in a recent supplementary list of enemy traders with which Canadians are forbidden to deal, does not affect the Bata Shoe Co. of Canada in any way, The Financial Post is informed.

The additional order was issued under wartime regulations to prevent both purchases and sales by enemy-controlled or enemy-aiding concerns in neutral territories. The Bata firms or branches named in the order, scattered in South and Central America, the Orient, Central Europe, Baltic countries and Scandinavia, and North Africa, are declared to be all affiliated with the parent Czech company. They are thus controlled by a concern in enemy territory and under German domination if not actual possession.

No Connection Here.

The Bata Shoe Co. of Canada, however, is said by company officials to have no corporate, financial or administrative connection with the original concern in Czecho-Slovakia.

When the Canadian company was established near Trenton, Ont., in the fall of 1938, it was set up as an independent enterprise with finances, equipment and other resources drawn chiefly from the equally autonomous Bata firms in England, France and Holland. Since then, The Post is told, its status as a separate and independent enterprise has been further clarified.

Controlled in Canada

Ownership and control of the Canadian Bata company are now reported as held entirely by Thomas Bata, president of the firm. Son of the founder of the Czech enterprise which ultimately established production and marketing branches throughout the world, Mr. Bata left Czecho-Slovakia some time before the Germans seized complete control of the country.

Originally he established the Canadian project in collaboration with his uncle, J. A. Bata, once head of the parent Czech company and now directing the Bata plant in the U.S. The Post is informed that there is no present connection between the Canadian concern and J. A. Bata or the U.S. company.

Operating at Trenton.

Production of Bata shoes in Canada is now being carried out fully in the new plant completed early this year on the outskirts of Frankford, near Trenton. The machine shop is still operating in the factory building in Frankford, which was used for shoe production temporarily, while erection of the new plant was in progress.

The Bata concerns listed in the recent supplementary roster of enemy traders include both manufacturing and selling units. They are:

Brazil, Jan Bata, Sao Paulo.

China, Bata Shoe Co., Shanghai and all branches in China; Bata Shoe Co., Harbin, Manchuria.

Estonia, Bata Handels A/B, Tallinn, and all branches in Estonia.

Finland, Bata Handels A/B, Helsingfors, and all branches in Finland.

Haiti, Bata Shoe Co. Inc., Port-au-Prince.

Kwantung Leased Territory, Bata Shoe Co., Dairen.

Latvia, Bata Handels A/B, Riga, and all branches in Latvia.

Morocco (Tangier zone), Bata, Calzados S.A., Tangier.

Panama, Bata Shoe Co. Inc., Panama City.

Roumania, Bat'a S.A.R., Bucharest.

Sweden, Bata Handels A/B, Stockholm, and all branches in Sweden.

Switzerland, Bat'a-Schuh-A.G., Mohlin, and all branches in Switzerland.

Thailand (Siam), Bata Shoe Co., Bangkok.

Jugoslavia, Bata jug tvornice gume, i obuce d.d., Borovo.

Investor's Index

Aug. 10, 1940

Algoma Central 11
Aluminium . . . 4
Am. Cyanamid 11
Blue Ribbon . . 11
B. C. Pulp & P. 10
Bldg. Products . 5
Can. Packers . . 11
Can. Wire & C. 11
Can. Breweries. 11
Can. Industries 3, 5
Can. Invest. Fd. 5
C. P. R. . . . 5
Can. Steamship. 1
Can. Vickers . . 5
Celanese Corp. . 4
Chainway Stores 11
Clarendon Apts. 11
Clarendon Prop. 11
Crown Cork . . 11
Detroit Bridge . 11
Dom. Coal . . . 14
Dom. Rubber . 5
Electrolux Corp. 5
F'rbanks-Morse. 10
Foundation Co. 3
Gen. St'l. Wares 11
Int. Hydro-Elec. 11
Inter. Paper . . 5
Inter. Pete. . . 4
Inter. Power. . 11
Inter. Utilities . 4
John Inglis Co. 3
Mar. Tel. & T. . 5
Para. Pictures . 4
Remington Rand 4
South. Can. Pr. 15
Standard Fuel 4, 11
Steel of Canada 11
Union Gas . . . 2
United Fuel . . 13
Western Neon . 4
Western Steel . 4
Winnipeg Elec. . 11
Wood, Alex. . 5

MINES AND OILS

Aunor 15
Bala Manganese 15
Beattie 14
Berens River . . 14
Buffalo Ank. . 4
Can. Malartic 14, 15
Chromium M. . 15
Codresco 15
Coniaurum . . . 15
Cordova Mines . 15
Dome 14
East Malartic . . 15
Gold Belt 15
Golden Gate . . 14
Gunnar Gold. . 2
Guysborough. . 15
Hallnor . . . 14, 15
Hudson Bay M. 4
Hutchison Lake 14
Int. Nickel . 4, 14
Kerr-Addison. . 15
Lamaque 15
Lapa Cadillac . 15
Macassa. 15
MacDonald . . . 15
MacLeod-Cock.. 15
Madsen R. Lake 15
Magnet Consol. 15
McIntyre Por. 4, 15
McWatters . . . 15
Midwest Iron . . 15
Noranda 15
Pamour 15
Paymaster . . . 14
Sheep Creek . . 14
Sherritt Gordon 15
Sigma Mines . . 15
Spud Valley . . 15
Straw Lake . . . 15
Sturgeon River. 15
Toburn 15
Upper Canada . 15
Upper Seine . . 15
Waite Amulet . 15
Warren-Bey . . 15
Wendigo 14

REGULAR FEATURES

Banking 8
Bond Markets 5
Bond Quotations 12
Business, Week in 7
Commodities 5
Company Reports 5, 11
Editorial 6
Foreign Exchange 8
Insurance
Fire and Casualty 8
Life 8
Investment Trends 4
Investment Enquiries 11
Market Opinions 4
Stock Quotations 12
Mining, Week in 14
Mining Enquiries 15
Stock Quotations 12
Municipal Finances 8, 10
Oils, Week in 14
Oil Quotations 12
Pulp and Paper 10
Wheat, Week in 13
Grain Quotations 13

"Steamers" Profits Up

(Continued from page 1)

profits on which to base taxation charges. This standard is to be not less than 5% and not more than 10% return on capital employed.

Forecast for the entire year therefore becomes precarious, depending as it does upon two imponderables, basis of taxation charges and general conditions in the second half of the year.

Earnings Recovery

Indications are, however, that given any measure of stability, operating results for the year will be the most satisfactory for any year since 1928.

The company has not come anywhere near pre-depression levels, as the following tabulation shows:

Year Ended Dec. 31:	Net Profit $
1926	1,211,409
1927	1,243,989
1928	1,347,633
1929	230,602
1930	d657,792
1931	d1,310,462
1932	d2,186,226
1933	d2,095,276
1934	d1,275,969
1935	d1,677,014
1936	d1,659,960
1937	235,495
1938	258,563
1939	277,189

Depression Losses

In the years 1930-36, inclusive, the company showed net losses in every year after deduction of income taxes.

Working capital declined from $2.5 millions in 1928 to an excess of current liabilities over current assets of $2.6 millions at the end of 1935.

Since 1936 operating results have been making a gradual comeback, with the sharp upturn in the current year being attributable chiefly to:

1. Better rate structure. This has been brought about by the withdrawal of canal boats from competition and the greater volume of goods moved. In depression years competition and small freight movements made carrying rates extremely unsatisfactory. Demand for boats of all descriptions for carrying war goods and commodities has relieved an excess of bottoms prevalent in the past several years.

2. Increased movement of freight, especially of iron ore and grain.

Wheat and Ore

In the second half of this year some doubt is expressed that shipments of grain and iron ore will continue as in the last part of 1939 and first six months of the current year.

Britain has made commitments for 100 millions bushels of wheat from Canada, but the delivery period for these shipments will not necessarily be in the next six months. It may be spread over a more extended period. In the meantime Canada is cut off from other export markets for grain which means complete reliance upon the U.K. market.

Iron ore is expected to move down the lakes in great volume, but may not show the same gain as in the first six months of the current year.

Two other phases of the company's activities are satisfactory.

Rental of 11 canal boats to the British Admiralty is a steady source of income.

Subsidiary Active

Davie Shipbuilding and Repairing Co. is continuing to operate at capacity and will do so for at least a year and a half on the basis of business now on hand.

Packet freight business has held at about the same level as last year. Passenger business has dropped because of the decline in tourist traffic.

The company's facilities are capable of meeting any demands that may occur. Ample bottoms are available for business anticipated in the remainder of the year.

Ontario Halts Issue Of Mining Figures

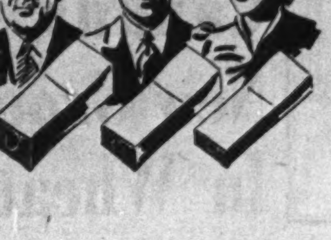
In view of wartime conditions, the Ontario Department of Mines has suspended publication of its half-yearly review of mine production for the province.

Censorship regulations already prevent the issuance of figures on base metals output so that any summary could not have been as complete as in previous years.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Village of Forest Hill	July	Dyment, Anderson & Co., and Cochran, Murray & Co.	3½%	20-yr. ins.	$172,500	99.03	.....
Halifax, N.S.	July	Eastern Securities	4%	1941-5	175,000	100.79	.....
Dominion—							
Canada Treasury Bills	July	.....	.....	Nov. 1 '40	35,000,000	99.831	.673%



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Hint Move on Gasoline

(Continued from page 1)

rapidly can have very serious and permanent results in wasting gas and lowering rock pressures. The present shortage of crude oil for the prairie market is being made up by imports from the United States.

The prairie oil shortage, of course, would not have occurred if adequate storage facilities had existed in the west country. This would have permitted a higher rate of flow from the wells during the past winter and spring. In the past too many refineries and other handlers of crude oil have depended on reserves of crude oil in the ground which had not yet actually been produced, Mr. Cottrelle states. This situation is to be corrected another year. Greater storage capacity is expected to allow Turner Valley to look after peak demand from the prairies. The oil controller is looking to a more even year-round production of crude oil instead of flush, all-out production during the summer and fall when consumption is high.

Will Act When Necessary

In regard to the extension of the market for Turner crude, Mr. Cottrelle says there is no need for an extension at the moment with output less than the demand but that the market will be provided when the need arises. Extension of the market both east and west will be carried out if necessary.

With development of the Air Training Plan, the assurance that Canada has all the supplies of aviation gasoline needed is important. It is understood that some of the larger refining companies are prepared to expand facilities for producing aviation gas as soon as necessary.

Possible Savings

Canada can now produce substantially all its own requirements of lubricating oil. This represents a large saving in foreign exchange, as lubricants have been a large import into Canada in recent years. It will still be necessary, of course, to import most of the crude oil for manufacture of lubricating oils.

The oil controller has sent a questionnaire to the various oil companies across the Dominion to determine the total refining capacity; their production of gasoline and other oil products in this country.

When this information has been secured it will be possible to determine to what extent imports of foreign gasoline can be eliminated, reducing foreign exchange requirements. In the United States the Petroleum Institute has all the statistics of the industry but there is no corresponding institution to supply such information for Canada.

Consider Licensing

Licensing the drilling of oil wells throughout the country is now being considered in order to protect investors, The Financial Post is informed.

The controller is examining all legislation, taxes, etc., which may have a bearing on production. The aim is to encourage oil well operators and those backing them with funds, it is pointed out. It is expected that a plan will shortly be reached whereby a much larger drilling programme than previously seen will be undertaken.

It is stated that a market will be found for all new production, including the Lloydminster field if possible from an economic standpoint. This is expected to encourage drilling. Mr. Cottrelle's attitude is that if the industry can get the production, a market can be found for it. However, there is no need to worry about adjusting railway rates and such things to extend the market at the present time for production is now below market requirements, he said.

Need 35 New Wells Year

In connection with the encouragement of drilling, it is estimated that 35 or 40 new wells a year will have to be drilled in Turner Valley to keep reserves at the present level. This will require the expenditure of some $7 millions on drilling a year.

While Turner Valley is producing 27,000 barrels a day at present, it is not considered likely that a continuous production of this amount, day in and day out, can be efficiently secured over an extended period with present wells. Over a year the daily desirable production might be lower. However, with the extended drilling programme now envisaged, it is possible that production may even be stepped up appreciably. There is a large amount of undrilled ground in Turner Valley that is expected to give excellent production. Presumably this ground will be exploited first. If a uniform and efficient rate of production is maintained on a year-round basis, as now contemplated, revenue from individual Turner wells may be increased appreciably. This will not only encourage the drilling of further wells but will help provide the funds to do it.

With the Turner marketing situation apparently solved for the next two or three years anyway, investors will have greater assurance of getting returns. The objective of the oil controller is to conserve U. S. dollars to the maximum. One way of doing this is to get as large a production in Canada as can be possibly secured. Encouragement of further drilling is the natural corollary.

Union Gas Net Up in Quarter

Consolidated net earnings of Union Gas Co. of Canada and its subsidiaries in London and Windsor for the three months ended June 30, 1940, first quarter of the company's year, amounted to $359,925, after all charges except income and "excess" profits taxes. Comparable figures for the corresponding period of 1939 were $278,321.

Major part of the company's earnings results from sales of gas for house heating. The cooler weather prevailing in the three months this year thus accounted for the most of the gain. Another factor was higher sales of gas for industrial purposes. A further gain in meters connected is reported.

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FEATURES
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London Calling

by Atticus

Speakers for World Democracy a Year Ago Now Gathered in Hitler's Net

LONDON.—Every now and then a paragraph appears in the newspapers that causes memory to sweep over one with an irresistible tide. It was so when I read that the French Government had denounced the famous French journalist "Pertinax" as an enemy of the new state. How my good friend André Géraud, who has now reached North America, would have mocked such criminal insanity with his finely pointed irony. An enemy of France? No man ever loved her more passionately nor did any foresee her danger more clearly.

I remember when Géraud came to a committee in the House of Commons early in 1938, and with his soft musical voice and his Sacha Guitry gestures told us that Germany intended war, that Hitler was determined to turn the free nations of Europe into vassal states, and that he trusted the French generals, but feared the politicians.

In November of the same year he dined with me in London and said: "Munich? A tragedy if we do not use to the full the respite that it has given us." Just after the German march into Prague he was in London again. Shrugging his shoulders he said: "The war is coming. Civilization now depends upon the British **Navvy.**" For a moment I thought he was paying an unusual tribute to a type of British citizen who no doubt merited it, and then I realized that despite his elegant English he reserved his own eccentricities of pronunciation.

* * *

Missing Persons

Another page of memory comes back at the news that Lion Feuchtwanger, the author of "Jew Süss," has fallen into German hands. When he fled the Nazi terror the German Government had all his manuscripts destroyed and his books burned. Like all tyrants, the Nazis have imagined that ideas can be bludgeoned like the skulls that give them birth. Perhaps the Nazis have a special hatred for Dr. Feuchtwanger because of the delicious irony in the climax of "Jew Süss," where the hero, about to die in the cage, discovers that he is not, as he believed, a Jew; whereupon he refuses to save his life by divulging the fact. Feuchtwanger, like many heroic writers, is a mild and gentle creature, sensitive to the sorrows of humanity and fiercely resentful of all stupidity and cruelty. I am afraid that he will have to suffer like the hero of his famous novel now that he is face to face with the new culture of Germany.

And what has happened to that splendid European Theodor Wolff, who had to leave the editorship of the "Berliner Tageblatt" and flee from Germany because he had dared to preach the gospel of goodwill toward France? When last I heard of him he had taken a small house on the Riviera.

* * *

Mystery of Halifax

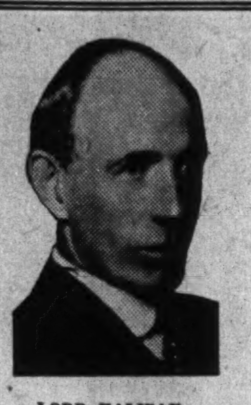
Two years ago a number of M. P.'s went to a little club off St. James's Street when the House had adjourned, and in the sprited badinage that ensued we "made a book" on the successorship to Mr. Chamberlain. After much discussion we eventually came to a fairly unanimous agreement that fair odds would be:

Halifax	6-4	Churchill	40-1
Hoare	10-1	Morrison	50-1
Kingsley Wood	100-8	Oliver Stanley	50-1
Eden	25-1	Belisha	100-1
Simon	25-1	MacDonald	100-1

It will be seen by the observant that the race was won by the 40—1 outsider. Then why did we install Lord Halifax as an undisputed favorite? The steady rise of his prestige from the moment of his appointment as a "stop-gap" Foreign Secretary to the outbreak of war is one of the political mysteries. Certainly he always spoke and moved with dignity, his mind was clear and his diction perfect; but there was more to it than that. He was said to be the strong man in the Cabinet, the voice of action and the willer of deeds. The less our foreign policy achieved results the greater grew his reputation. No one doubts the overwhelming difficulties of conducting foreign affairs in a world gripped with fear, but the mystery of his mounting prestige still remains. Perhaps some day he will unseal his lips and tell us about it. In the meantime if another "book" were made on the succession to Mr. Churchill you would now be able to back Lord Halifax at what are technically known as most attractive odds.

* * *

Air Force Leaders



LORD HALIFAX

Those who perchance remember my notes three months ago on Air-Marshal C. F. A. Portal will understand my pleasure at his receiving a K.C.B. in the Honors List issued the other day. As Chief of the Bomber Command he is responsible for the hammering of the enemy that is going on every day and night. Although by no means lacking in humanity, he possesses that streak of ruthlessness which is essential to great commanders. He is only 47, and when one realizes that he enlisted in the ranks in the last war as a dispatch rider one has an encouraging proof that ability will find its way to the top even in the fighting services. He won the M.C. and the D.S.O. in the last war, and now, in the present struggle, he has become an Air-Marshal and a K.C.B. No one will be more pleased than his father, who thinks that our bomber chief is a grand fellow and does not mind who knows it.

As a matter of interest the R.A.F. has many striking personalities in its hierarchy. Air-Marshal Sir Christopher Courtney is a man of commanding and impressive appearance. He is big in stature and his pleasantness of manner does not hide the purposefulness of mind that needs no beam light to keep it on its course. Then there is Air Marshal Sir Philip Joubert, who has become a popular feature on the radio in addition to his other duties. He has immense vitality, and when he broadcasts one does not feel that he is reading from a manuscript, breathing correctly in the right places and pausing after every comma. Joubert is very much on the up-grade. His friends loudly predict a great future for him—just as the friends of Portal and Courtney do for them.

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July Stock Volume Lowest Since 1932

Activity on Montreal Exchange at Depression Levels

From Our Own Correspondent

MONTREAL. — Industrial and mining volume on the Montreal Stock Exchange and Curb Market in July was at the lowest since 1932.

Industrial shares totalling 179,160 shares were traded compared with 298,518 shares in June and 389,698 shares in July of the preceding year.

The July low of 179,160 shares compares with the previous low of 168,162 shares traded January, 1932.

Total of 199,726 shares was traded in the mining section during July, the lowest since June, 1932, when 148,998 shares changed hands. June, 1940, mining volume was 200,359 shares. In July of the preceding year shares traded totalled 874,003.

The combined total for July of this year amounted to 378,886 shares, against 498,877 shares in May, and 1,261,701 shares in July, 1939.

C. I. L. Starts Work On Hamilton Office

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd., announces work will start immediately on a new works office at its Hamilton plant. Facilities there are now too small for present requirements.

Construction contract has been let to Cooper Construction Co., Hamilton. Cost: approximately $20,000.

Structure to be two-story brick. Plans have been drawn up by the company engineering department.

Japan is Restricting Newsprint Supply

From Our Own Correspondent

MONTREAL.—Effective July 1 Japan imposed a further limitation on newsprint supply. The new limitation reduced the supply to consumers by about 10%.

The Home Ministry also announced stricter control over publications in the near future. It is generally anticipated that the publication of many non-urgent periodicals will be ordered discontinued.

Simpson's August Sales OF FURNITURE AND HOME FURNISHINGS Are Now in Full Swing!

Definite savings are yours in SIMPSON'S August Sales of Furniture and Home Furnishings. If you're furnishing your new home or "doing over" the old one you'll be wise to see SIMPSON'S display of August Sale period or modern furniture, curtains, draperies, electrical fixtures, rugs and linoleum.

Special Home Lovers Club Plan available with No Down Payment

SIMPSON'S—Fourth, Fifth and Sixth Floors

Simpson's

The Post-Bag

"Playing" the Market

A Montreal man has discovered the "safe" way to play the market.

A. T. Chatband of Montreal produced a contract in court which guaranteed that 10,000 shares of Mount Royal Mines would be repurchased at the original purchase price of five cents a share if they did not appreciate in value within six months of purchase.

Judgment was rendered in favor of Chatband against the vendor of the stock when the latter offered no defense.

As a result Chatband has experienced the investor's vision of Utopia: Possibility of appreciation with a guarantee against loss.

* * *

Nazi Agent Under Fire

The papers have been carrying a lot of news about one of Hitler's agents in the U. S. A.—Dr. Gerhardt Alois Westrick. He is in trouble with the police for false registration.

New York Herald Tribune has been watching Westrick and reporting names of his visitors, who include, incidentally, heads of two large corporations with important Canadian subsidiaries.

For further details of Westrick and the job he was sent over to do in the United States, readers are referred to The Financial Post of June 22. There will be found the first article to give the facts of Westrick's propaganda mission on behalf of the Nazis.

* * *

Plane Advice

Here's a tip to those who aren't very accustomed to flying.

In the big transport planes, the experienced passenger, if he wants to see below, sits in the seat farthest back or forward. If he wants to sleep or read, he sits in the middle.

Forward or rear, there are no view-obstructing wings. In the centre the plane is steadier.

* * *

Clothes for Evacuees

A friend of ours who is looking after two fine young English youngsters "for the duration" has found a way of cutting clothing bills.

The youngsters' parents have an account at famous Harrod's of London. When clothes are needed, an order is put through that store. Subsequently the merchandise arrives in Canada, charged to the parents' account in U. K.

* * *

Douglas for Willkie

Lewis Douglas, former principal of McGill University and now president of the Mutual Life of New York, is one of a four-man committee of anti-New Deal Democrats who have organized a national independent movement and are supporting Wendell Willkie's campaign for president.

* * *

"Full Disclosure"

Merrill Lynch, E. A. Pierce & Cassatt is the name of a New York brokerage firm that is the result of many mergers. The firm advertises a new plan in its dealings with its clients. Whenever the firm has an interest in a security bought by a client, the latter will be notified in advance. Whenever a report is issued on a security, the firm intends to indicate whether or not it or the partners have themselves made an investment in the security.

* * *

Want Propaganda

Very centre of the area of the United States that has sufferred cold chills of apprehension lest British propaganda attempt to influence public opinion is Chicago.

And has Britain got any credit from Chicago for sedulously avoiding efforts to explain its case to the United States? Apparently not. The Financial Post gets a letter from a University of Chicago professor asking why the British do not do something to put their story over. "The worst propaganda of all is the almost complete lack of propaganda," he says.

"It would be easy to influence American public opinion in a proper, decent and respectable fashion," he says, adding, "I am simply amazed by the neglect of this important war measure by your countrymen overseas."

This from Chicago! ! !

* * *

Gliding Invasion

The Air Correspondent of the Sunday Times, London, discusses the possibility of German troops arriving by glider. A glider carrying 12 men could be towed behind a bomber transport. It could be a low-cost machine. Near its destination, it could be cut loose and would glide at about 25 m.p.h. to the spot selected for landing.

With a favorable wind, gliders could be dropped off at the French coast at night and could land silently in England. Detection would be almost impossible.

* * *

Used to Anything

A well-known Canadian now on official duty "Somewhere in southeast England," writes us:

"We had an air raid alarm this afternoon. The streets empty quickly, the A. R. P. wardens and police take control, the fire engines patrol their different sections, the various A. R. P. posts are manned. It is all very orderly and efficiently done.

"But thank goodness they do not now sound the sirens unless German planes are actually in this area. Clearly they were overhead somewhere close this afternoon as the sirens wailed loudly. But we get used to it. One gets used to anything it seems, though the strain of waiting is not small."

Pressure of War Needs Boosts Construction

Contract Awards in First Seven Months Jump $49 Millions

Large outlays for expansion of industrial facilities for war needs, and the speeded programme of construction for the Empire air training scheme, kept volume of new building in July at the high level maintained for the past several months.

Value of projects started in July, as reflected in the total of contract awards compiled by MacLean Building Reports, again bounded well above the 1939 level. The contract figure of $29.3 millions was over $7 millions or 32% ahead of July, 1939. Cumulative total of $154.7 millions for the first seven months is $49 millions or 46% over last year.

Millions for Air Schools

Chief factor in the increase last month was a net gain of $5 millions in the business building classification, which in turn was made possible by gain of $9 millions in awards for public buildings. Most of the public buildings initiated were air training structures and other projects for war requirements.

Factory construction for both government orders and private needs was triple the total for July, 1939, jumping over $4 millions. Engineering types of projects were about the same as last July, while residential construction showed a noticeable drop of nearly one third during the month. In the year to date residential building is 7% below last year.

Even though there may be some contraction in industrial, defense and air training projects later in the year, volume of building to date promises a total for the full year, which should be the highest since 1931.

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, broken down according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports:

CONSTRUCTION CONTRACTS AWARDED

First Seven Months	1940	1939	—Change—	
	—Millions of $—			%
Residential	38.0	41.0	—3.0	—7
Business	46.2	30.6	+15.6	+51
Industrial	29.7	14.1	+15.6	+110
Engineering	40.6	19.6	+21.0	+107
Total	154.7	105.6	+49.1	+46
June Totals				
Residential	5.5	7.7	—2.2	—29
Business	12.0	7.0	+5.0	+72
Industrial	5.9	1.8	+4.1	+228
Engineering	5.8	5.6	+0.2	+3.5
Total	29.3	22.1	+7.2	+32

Details of July Awards

	1940	1939
	—July—	
	$	$
Apartments	471,400	866,000
Residences	5,050,300	6,826,500
Total residential	5,521,700	7,692,500
Churches	137,800	470,000
Pub. garages	216,100	333,000
Hospitals	168,500	1,598,100
Hotels, clubs	146,100	302,500
Office bldgs.	304,400	1,066,700
Public bldgs.	9,339,000	282,500
Schools	527,900	1,152,100
Stores	564,800	740,400
Theatres	142,500	38,300
Warehouses	520,200	1,016,400
Total business	12,067,300	7,000,000
Total industrial	5,878,900	1,798,500
Bridges	352,800	275,200
Dams, wharves	1,042,700	867,000
Sewers, waterm'ns	203,300	283,700
Roads, streets	4,013,900	4,115,800
Gen'l. engineering	225,000	97,000
Total engineering	5,837,700	5,638,700
GRAND TOTAL	29,305,600	22,129,700

Seven Months Totals

1940 .. $154,741,100 1938 .. $101,813,400
1939 .. 105,575,600 1937 .. 131,861,100
1936 .. $95,577,000

The Home Front

Norwegian War Aid

Building up resources to help those made destitute or homeless by the war in Norway, especially by any future renewal of active fighting in that country, is the basic objective of the Norwegian War Aid Fund Association of Ontario.

Originally it was launched to raise funds both for civilian war relief in Norway and to send volunteers to join the Norwegian forces in Norway. The association has dropped the latter objective in view of the suspension of hostilities in that country and decision of the Norwegian Government to carry on the fight against Hitler from England. The exile Government is contributing to the war effort of British and allied forces, with the aid of a large gold reserve which was shipped out of Norway before the Nazis could grab it.

Norwegian fighting units are being maintained in England; training and recruiting operations are being carried out in England and Canada for Norwegian air force and army units to fight alongside British forces; and the bulk of the Norwegian merchant marine is operating under British control to carry war supply and normal trade shipments. Norwegian authorities are spending about $2 millions in Canada for war purposes.

In addition to collecting funds and relief supplies, the association is collaborating with the Norwegian branch of the Canadian Red Cross Society in accumulating clothing and other needs. Remittances and shipments are being withheld until there is some assurance that they will arrive intact for the benefit of those for whom they are intended, and not be seized by the Nazis. However, it is probable Red Cross shipments can safely be directed to homeless and destitute victims of the fighting in Norway. In any event, it is sought to have funds and supplies readily available for immediate transmission as required and expedient.

Plans are now being laid for an accelerated campaign in the early fall, to raise funds through bazaars, concerts, lectures, movie shows, etc.

Officers of the association are Dr. H. A. Bruce, M.P., former Lieutenant-Governor of Ontario; Sir Ellsworth Flavelle, honorary treasurer; and Carl J. Printz, Norwegian vice-consul at Toronto, chairman. Contributions are being received by the honorary treasurer at Room 1721, Canadian Bank of Commerce Building, Toronto.

Scope of the association's appeal is confined to Ontario. However, a central body is being formed in Montreal to co-ordinate the work of all local and regional groups across Canada.

Support is being sought from Canadian groups and individuals as well as from the nearly 95,000 persons of Norwegian descent in Canada. Of these, incidentally, 65% were born in Canada or the U. S. It is anticipated that, when the campaign gets fully under way, response will be as generous as from the Norwegians in Norway, who at the time of the Russo-Finnish war contributed about $9 millions toward Finnish war aid.

New Building

Dept. of Munitions & Supply has awarded contract to **Anglin - Norcross Ontario Ltd.** at about $270,000 for construction of brick and steel ordnance building (100,000 square feet) at Long Branch, in the suburban area of Toronto.

John Inglis Co., Toronto, in collaboration with **Dept. of Munitions & Supply**, is extending its plant at cost of about $400,000. It is estimated the work will double production capacity for Bren guns.

Reported by Engineering & Contract Record:

Powell River Co. expects to spend about $900,000 over the next two years for construction of large new dam for its power plant at Lois River, B.C. Contract for the dam has been awarded to Stuart Cameron & Co., Vancouver.

Foundation Co. of Ontario has the general contract for construction of large new plant at Leaside, Toronto suburb, for E. S. & A. Robinson Co. (Canada), printers and lithographers.

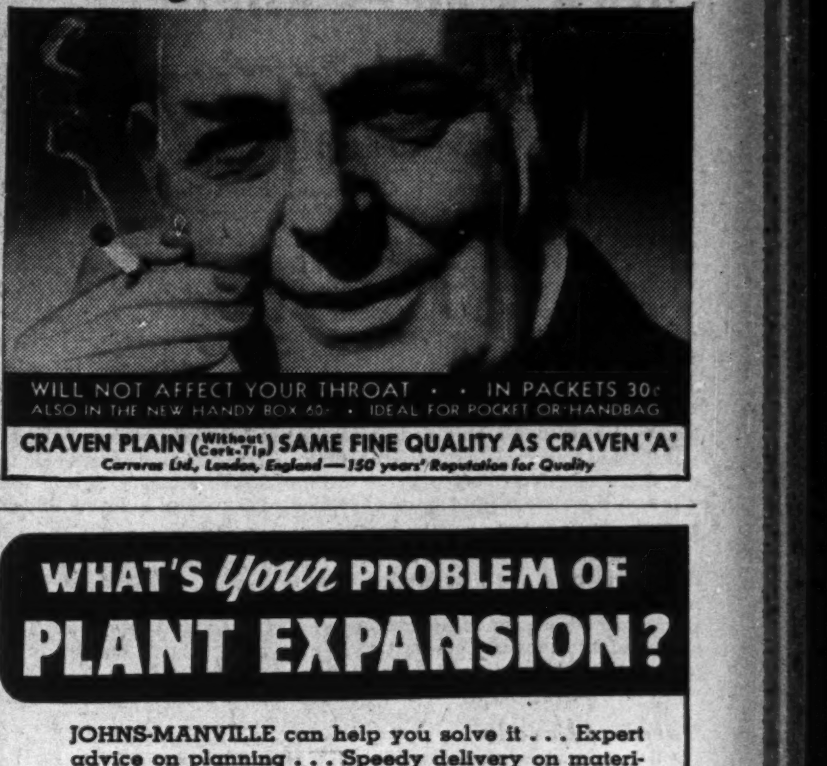
Dept. of Munitions & Supply has awarded contract for construction of $732,000 service flight school at MacLeod, Alta.; and for $750,000 airport near Summerside, P.E.I.

Canadian Industries Ltd. has given Fraser Brace Engineering Co. general contract for $500,000 plant "somewhere in Quebec."

Sorel Steel Foundries Ltd. has awarded structural steel contract in connection with its $80,000 plant addition programme.

Quebec Dept. of Public Works has initiated $700-$800,000 land reclamation project on Montreal River in Huntingdon County, Que.

I prefer Craven 'A' for their quality



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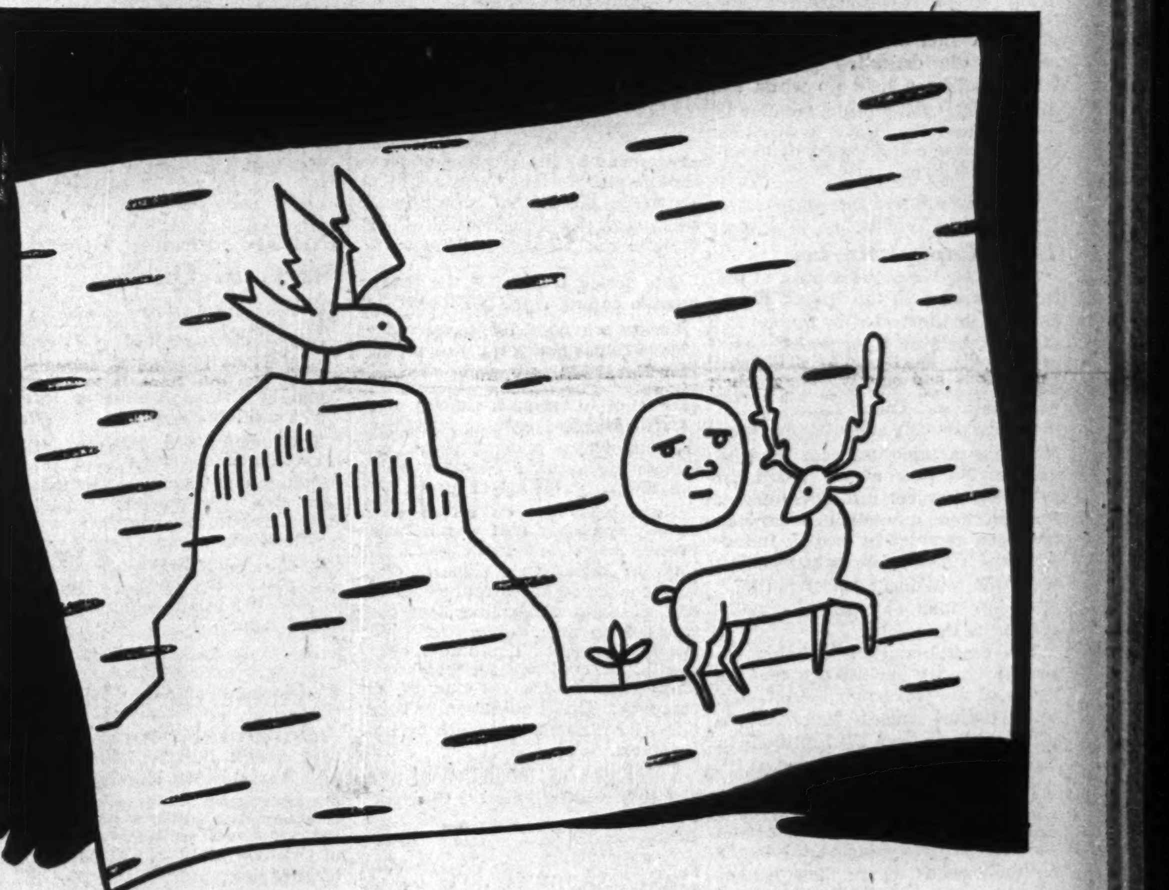


"They DEPARTED from MONTREAL.."

● This picture writing was sent to the French garrison at Quebec by their Indian allies during the war with England for supremacy in North America. It shows a bird taking flight from a mountain at the full of the Buck moon and means: "The warriors departed from Montreal in the last week of July."

Today, in every part of Canada, long distance telephone calls are put through while you hold the line—enabling you to talk by word of mouth with almost anyone, anywhere. Connections are crystal clear, even on the longest calls, and rates are surprisingly low—with further substantial reductions in effect after 7 P.M. and all day Sunday.

This service is made possible by the coast-to-coast circuits of the Trans-Canada Telephone System.

TRANS-CANADA TELEPHONE SYSTEM

THE BELL TELEPHONE COMPANY OF CANADA

Investment Trends

Slow Recovery Moves Stock Prices Higher

Waiting For Decisive War Moves and Levelling Effect of Present Taxation Scale May Limit Further Upward Trend

Stocks have recovered to the highest levels since the early part of May, in recent weeks. The upward movement has been a slow recovery which failed to bring out any large volume of sales.

Now the question is whether or not the move toward higher prices will continue. If one could tell when Hitler's long-talked of attempt to invade Great Britain was going to come, if at all, it might be possible to give a better idea of how soon an answer could be given to the problem.

A while ago lack of knowledge as to taxation for 1940 was an excuse for holding back of stock markets. This difficulty has been cleared up in such a way as to make fairly certain that about three-quarters of every added dollar of profit is going to be turned over to the Government to help pay for the measures necessary to win the war and thus assure continued operation of Canadian industry. Such a condition does not encourage sharp stock price rises.

Based on prevailing levels of company earnings and dividends, as illustrated by the 1940 interim reports now appearing, there is no reason for further price declines. Test of the lows of June is a reasonable expectation, although further gains can readily come first. The extent of the moves since last May give little ground on which to base forecasts.

* * *

Moved to Canada

Dollar securities—that is those payable as to interest, dividends or principal in dollars — which had been registered at the Bank of England have been moved to Canada for safekeeping, according to London reports. Holders of these securities had to register them with the Bank of England as part of the process of mobilizing Great Britain's resources of foreign exchange, and U.S. exchange in particular.

No word of this move leaked out until the transfer had been completed. Safety was essential and the amounts involved very large. There was much speculation, when Amsterdam, Brussels and Paris fell into German hands, as to the actual position of the large amounts of American stocks and bonds held in Holland, Belgium and France. To replace actual securities now in Canada, United Kingdom holders are being given certificates of the United Kingdom Security Deposit as proof of ownership. Permits for sale abroad of deposited securities, which had been held up while the moving was taking place, are now to be resumed by U.K. authorities. Sales from one U.K. resident to another, however, are not being allowed.

* * *

U. K. Capital Market

How effective is the control of the capital market in the United Kingdom can be illustrated by figures for the first half of 1940, which show that British Government securities issued reached the high total of £502.7 millions. Other issues to the public by British and overseas borrowers accounted for less than £1 million. No new money has been raised by any colonial government. Foreign and municipal borrowing has been completely barred. Industrial and railway issues have fallen from £52 millions to £15.9 millions, with less than £1 million actually offered to the public.

The capital market is being reserved almost exclusively for the needs of the Government. Actually, total capital raised increased to £518.6 millions from £74.7 millions in the previous comparable period.

The Economist points out that, with the regular sources of new capital barred to them, industrial concerns are resorting to the banks for their needs where these cannot be financed from company's own resources. Competition with Government loans has been effectively eliminated, even non-competing municipal conversions being forbidden.

Western Steel Sales Up 65%

Expect 1940 Profits to Approximate 1939 After New Taxes

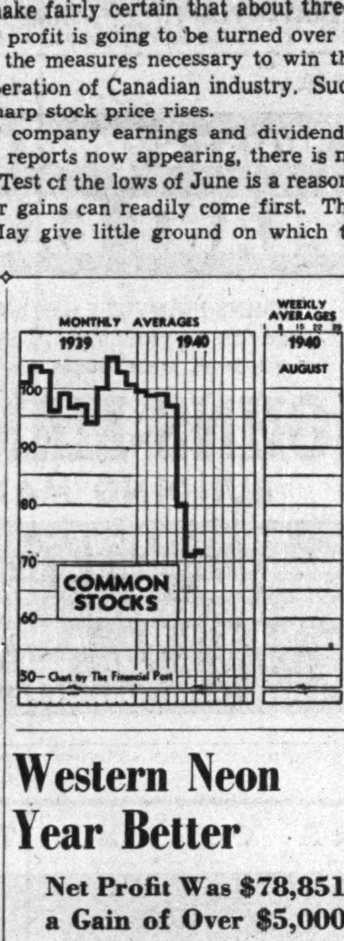
Western Steel Products Corp. reports sales for the first six months of 1940 as 65% higher than in the corresponding period of 1939. Officials state that operations in nearly all departments continue close to capacity.

Figures issued do not include provision for income or excess profits taxes. The company estimates that final figures for 1940 profits, in spite of the large gains in sales, will not greatly exceed those of last year when the company earned $1.20 a share on its common.

Operating Statement
Six Months Ended June 30

	1940 $	1939 $
Gross profit	483,716	233,403
Add: Sundry income	10,858	11,037
Gross earnings	494,574	244,440
Less: Expenses	200,468	183,539
Depreciation	55,581	53,476
Bond interest	16,932	17,500
Net before taxes	221,593	*10,075

*Loss.



Western Neon Year Better

Net Profit Was $78,851, a Gain of Over $5,000, Report Shows

From Our Own Correspondent

VANCOUVER. — Moderate improvement in the position of Neon Products of Western Canada, Ltd., is shown in the annual report issued this week by President J. P. D. Malkin and Managing Director W. G. Sweny.

The period covered is the twelve months ending April 30, 1940.

There are now 700 shareholders of Neon in Western Canada, reported Mr. Sweny, who drew attention to the fact that the apparent large excess of current liabilities over current assets, a regular feature of the company's balance sheet, was due to the peculiar classification of the company's principal assets.

Neon signs out on rental were, strictly speaking, half way between current assets and fixed assets. He said the item "Neon signs at cost" in the balance sheet represents the cost of assets which have been constructed on firm orders and which are in process of liquidation every month, the contracts for which constitute the future revenue of the company. This liquidation is being offset from month to month by new contracts.

The following tabulation of comparative results indicates the year's progress:

Years Ended April 30

	1940 $	1939 $
Current assets	92,602	71,704
Bank loan	117,000	131,000
Prov. for taxes	27,033	47,500
Total curr. liab.	215,784	201,502
Fixed total assets	653,662	632,448
Neon signs on rental at cost less prov. for amort	425,396	398,721
Gross rev. from signs, bulletins & posters	676,466	645,278
Oper. exp. and other deducts.	597,614	571,975
Net profit to surplus acct.	78,851	73,302
Earned surp. bal.	126,308	95,130

Internat. Utilities Paying Dividend

Net income of International Utilities Corp. for the six months ended June 30, 1940, was $270,848, according to reports given to the Securities and Exchange Commission at Washington. Cash on hand at June 30, 1940, was $1,046,017. Net income for 1939 was $476,436.

The Commission has approved payment of a regular quarterly dividend of 87½ cents a share, due Aug. 1, 1940, on the $3.50 prior preferred stock of International Utilities. Because of a deficit in the company's earned surplus account, all dividend payments have to be approved by the S.E.C. which has insisted that dividends be paid out of current earnings only. The S.E.C. has also urged completion of the proposed reorganization of the company.

Payment of the Aug. 1 dividend requires $86,598 and the company has already paid $172,477 in dividends for the half year. Thus, there is a balance of $98,371 available from current earnings to cover the latest payment. The dividend is to be charged to capital surplus.

Have you bought your
WAR SAVINGS CERTIFICATES?

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AND COMPANY, LIMITED
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Exchange Curb Is Unrelaxed

Non-resident Owner of Cash or Securities Closely Restricted

Exchange control regulations throughout the British Empire continue to make transfer of funds between the different parts as well as to foreign countries, difficult except in the case of important business.

So far there has been no relaxation in the restrictions on the amount of money that residents of the United Kingdom may bring with them to Canada or transfer for the use of their children who may be here as war guests.

Some ingenious methods have been suggested for getting around the regulations but so far these have failed to meet approval of the authorities.

Take the case of the Britisher who owns Canadian securities. Three questions have been asked:

May he sell these in Canada to raise cash?

May he transfer any or all of the income therefrom for the upkeep of his children or himself?

May he borrow against these securities in this country?

In each case the answer is that any of these courses may be adopted only with the consent of the British Exchange Control, which would be obtained through the Canadian authorities. The general opinion is that consent would not be granted. Some time ago British holders of Canadian securities or bank accounts were asked to list them with the Bank of England and accordingly no action can be taken without the knowledge of the authorities.

Returning Canadians

Nor can a Canadian who has been resident of, say, the Channel Islands or Nassau or some other British possession, and has decided to return to Canada either temporarily or permanently, obtain unconditional release of his Canadian securities. He is practically in the same position as a Britisher. Most British possessions have their own exchange regulations. But these are conducted in close co-operation with the British control.

The same situation rules as regards a Canadian wishing to travel in the United States, who is refused exchange by the Foreign Exchange Control Board. He cannot legally cash in any of his United States investments nor have the interest diverted to him to be spent in the United States. Any deviation from the regulations can only be permitted by the Foreign Exchange Control Board.

Public Service Board Starts in Quebec

From Our Own Correspondent

MONTREAL. — Quebec's Provincial Electricity Board has been wound up and its services undertaken by the newly-formed Public Service Board.

The new Board takes over the functions of the Provincial Transportation and Communication Board and the Provincial Electricity Board. The former board was a stopgap to clean up cases before the old Quebec Public Service Commission and succeeding bodies which performed the same duties under different names.

Celanese Corp. Lists Additional Stock

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has called for trading 26,266 additional no par value shares of common stock of Celanese Corp. of America.

The additional listing results from the stock dividend of one common share for each 40 common shares held, payable Aug. 15.

Car and Truck Sales Up 30% in Half Year

Sales of all types of motor vehicles in Canada, including passenger cars, trucks and buses but excluding deliveries of war purpose vehicles, jumped 48% in value in June above the same month last year. Cumulative total for the first half of 1940 is $96.4 millions, reflecting gain of 30%, according to the Dominion Bureau of Statistics.

The figures are in line with the advance indication given by Canadian Automotive Trade's report on new passenger car registrations in eastern Canada, which showed a rise of about 50% for June.

The June figures for all types of vehicles show the gain was contributed chiefly by increased sales of passenger cars, probably in anticipation of the higher auto taxes. Of the total June gain of over $6 millions, approximately $5 millions was contributed by the increase in passenger car sales.

Market Opinions

The stock market move of recent weeks does not appear to have convinced commentators that this is the time to extend commitments.

The Annalist, New York — The market's advance apparently did not relate to any particular news development. It is true that second-quarter earnings statements have been generally favorable and that in most cases there was greater resistance than might have been expected to the second-quarter downward movement in general business activity. On the other hand, the European situation continues disturbing and the extent of the damage that will be done by excess profits taxes cannot yet be estimated. Probably the chief factor in the market's advance is the low level of stock prices in relation to dividends and earnings. If the advance is to continue it may be expected to broaden out to include issues that up to now have remained inactive.

* * *

Brookmire Counselor, New York —The stock market is displaying sufficient strength to indicate the essentially constructive nature of powerful domestic forces. Yet the showing cannot be considered conclusive until stocks have demonstrated ability to withstand European shocks of such a character as, for example, a destructive attack on England, or some form of peace with its corollary of a business readjustment here. Clients should continue to adhere to a balanced viewpoint by (a) recognizing the possibility of bad news from Europe, yet (b) maintaining invested positions in progressive companies that are well placed to share in the pronounced upward trend of earnings.

* * *

Business Week, New York—The utterly colorless character of the market for some time has been its most characteristic feature. This condition inspires two questions: (1) How long will it be before prices break out on one side or the other, and how important a signal will the break-out give? (2) When will we see an end to this unprecedentedly small volume of trading.

Both questions will be answered simultaneously. The average price of industrial shares has had just two tiny swings in the last six weeks—one up and one down. Total range of this composite for the period is from 93.8 to 96.9. By all precedent, prices must break out of this rut, and soon. When they do, volume will take care of itself.

Directors of War—V

Drafting men of special abilities from Canadian industry, financial institutions and the Dominion civil service, there has been created a vast machine for prosecuting Canada's war effort.

To familiarize businessmen with the personnel and various function's of Canada's special war organizations, The Post is publishing a complete roster of these bodies, of which the following is the fifth installment.

Department of Labor

Previous installments of Directors of War have surveyed the general layout and controlling authorities of Canada's organization for war, and the various divisions of the Department of Munitions and Supply, concerned with the vital task of buying and producing essential war materials.

This week's survey will cover the setup of important war functions administered through the Department of Labor under Hon. Norman McLarty.

Wartime Prices & Trade Board

This important body was established immediately on the outbreak of war, Sept. 3, 1939. With a view to prevent profiteering in basic necessities of life, or primary supplies required for both civilian needs and war purposes, the Board is invested with extensive powers to prevent hoarding, profiteering, and undue rise in prices. These powers are being utilized also to check any tendency toward the inflationary spiral of prices that featured the last war, and to ensure adequate supplies of various commodities.

The Board has authority to conduct investigations; license and control those engaged in manufacture and distribution of necessaries of life; fix prices and profit margins; control volume of commodities distributed or sold; and to expropriate, buy and sell supplies.

To facilitate its operations and exercise direct control over particular commodities, the Board has established administrators over wool, sugar, leather, and coal.

The following roster gives the members and chief officials of both the Board itself and the various administrations, together with their normal or peacetime positions or the posts they occupy now in addition to their duties on the Board.

PERSONNEL OF BOARD

Chairman: H. B. McKinnon, Chairman of Tariff Board.

Members:

David Sim, Commissioner of Excise.

F. A. McGregor, Commissioner under the Combines Investigation Act.

A. M. Shaw, director, Marketing Service, Dept. of Agriculture.

Yves Lamontagne, senior commissioner, Trade and Commerce Department.

Secretary: K. W. Taylor, professor of economics, McMaster University.

Executive Assistant: Miss L. C. Craig, private secretary to Minister of Finance.

Solicitor: H. D. Anger, K.C., barrister, Elliott, Hume, McKague & Anger, Toronto.

Economic Advisers:

H. R. Kemp, professor of economics, University of Toronto.

Mrs. P. G. Turner, chief research economist, Tariff Board.

J. M. MacDonald, head of Department of Commerce, University of Manitoba.

Publicity: Rielle Thomson, Public Relations Counsel, Montreal.

Licenses: C. R. Morphy, Department of National Revenue.

Accounts: J. C. Leslie, accountant, Tariff Board.

* * *

WOOL ADMINISTRATION

Administrator: David C. Dick, president, Cobourg Dyeing Co., Cobourg, Ont.

Technical Adviser: Harry Brown, retired textile expert, formerly superintendent of the Rosamond Woollen Mills, Almonte, Ont.

Economic adviser: W. P. Walker, comptroller, York Knitting Co., Toronto.

* * *

SUGAR ADMINISTRATION

Administrator: S. R. Noble, assistant general manager, Royal Bank of Canada, Montreal.

Technical adviser: H. J. Hobbins, sugar broker.

* * *

HIDES AND LEATHER ADMINISTRATION

Administrator: Maurice Samson, chartered accountant, Samson, Knight & Co., 70 St. Peter St., Quebec, P.Q.

Technical adviser: Sidney Jones, Department of National Revenue.

* * *

COAL ADMINISTRATION

Administrator: J. McGregor Stewart, K.C., barrister, Stewart, Smith, McKeen & Rogers, Halifax.

Technical adviser: Frank G. Neate, secretary, Dominion Fuel Board, Department of Mines and Resources.

National Labor Supply Council

The general purpose of the Council is stated to be to advise the Minister of Labor, through five representatives of labor, five from industry and an independent chairman on all matters bearing on the supply of labor for war industries. It will deal especially with four phases of the problem of ensuring a dependable volume of qualified labor for such industries, and keeping them at work on a mutually satisfactory basis. These phases are:

1. Possible shortages of labor, especially in the skilled groups.
2. Training and other means of meeting such shortages, both before and after they occur.
3. Investigating and adjusting problems arising in connection with overtime pay for fast production of needed war supplies.
4. Excessive, unfair and disruptive competition between companies and industries for workers, especially those of special skill and experience.

Members of the Council and the alternates who will serve in case they are unable to attend meetings, are as follows:

Chairman: A. J. Hills, chief of personnel of the C.N.R.

Secretary: Humphrey Mitchell, Department of Labor and former M.P.

Representing Labor

R. J. Tallon, Ottawa, secretary-treasurer, Trades and Labor Congress of Canada; alternate, A. D'Aoust, Canadian vice-president, International Brotherhood of Paper Makers.

J. W. Bruce, general organizer for Canada, United Association of Journeymen Plumbers; alternate, Fred Molyneaux, Canadian general organizer, International Brotherhood of Painters.

James Somerville, Canadian general vice-president, International Association of Machinists; alternate, Tom Moore, Ottawa, president Trades and Labor Congress.

A. R. Mosher, Ottawa, president, All-Canadian Congress of Labor; alternate, C. R. Millard, director, Steel Workers Organizing Committee.

Alfred Charpentier, Montreal, president, Confederation of Catholic Workers of Canada; alternate, Maurice Doran, Montreal, Montreal, vice-president of the Confederation.

Representing Employers

Mining Industry: J. H. Stovel, president, Ontario Mining Association and general manager, Dome Mines Ltd.; alternate, N. A. Bryce, past president, Ontario Mining Association and president, Macassa Mines.

Canadian Chamber of Commerce: Allan M. Mitchell, Robert Mitchell Co., Montreal; alternate, D. P. Cruickshank, president, Steel Equipment Co., Ottawa.

Canadian Manufacturers' Association: W. C. Coulter, president, Coulter Copper & Brass Co., Toronto; alternate, W. H. McIntyre, vice-president, Ottawa Car & Aircraft Ltd., Ottawa.

C. N. Moisan, president, Standard Paper Box Co., Montreal; alternate, Louis Armstrong, Consolidated Paper Corporation, Montreal.

Canadian Construction Association: J. M. Pigott, Pigott Construction Co., Hamilton, alternate, Albert Deschamps, general contractor, Montreal.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg., mater.	Power and traction	Banks	Total utilities	Total co's.
	8	7	3	4	10	12	7	15	15	8	19	95
1929-39:*												
High	432.3	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940: Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	784.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
Weekly Figures:												
July 4	85.7	12.7	61.1	94.6	70.9	145.6	107.0	99.1	46.8	70.0	35.1	70.2
July 11	86.9	13.1	66.2	99.4	72.4	144.5	107.6	99.3	46.4	69.2	34.5	70.6
July 18	89.6	13.4	67.9	101.0	74.0	144.6	114.8	101.4	47.0	69.7	35.6	72.0
July 25	91.7	13.5	70.0	103.6	74.8	145.9	117.6	101.5	47.7	70.3	35.9	73.1
Aug. 1	94.7	15.3	70.0	105.8	76.2	149.1	119.1	105.8	48.2	71.2	36.7	75.0

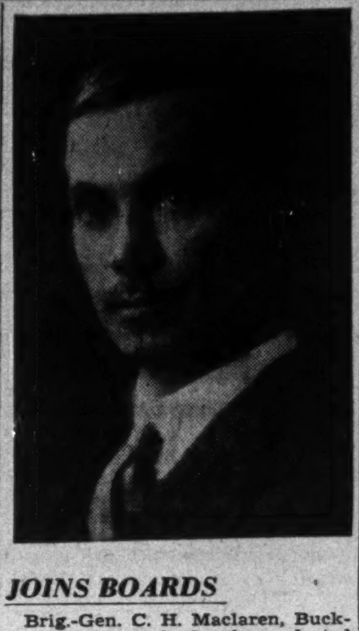
*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Aug. 6	94.41	89.38	62.41	20.39
Aug. 5	Holiday			
Aug. 3	....	....	....	....
Aug. 2	94.40	89.96	62.83	20.42
Aug. 1	94.22	88.97	62.89	20.35
July 31	93.84	89.71	62.94	20.38
Month ago	87.34	79.01	56.91	19.35
Year ago	113.28	122.31	90.33	28.45
High, 1940	128.84	123.80	88.97	33.31
Low, 1940	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Aug. 6	...	...	...	....	....
Aug. 5	53.8	61.9	59.2	83.13	65.63
Aug. 3	53.9	61.9	59.2	84.90	64.99
Aug. 2	53.9	61.8	59.1	84.92	64.89
Aug. 1	53.9	61.7	59.1	86.38	65.33
July 31	53.7	62.1	59.3	87.09	65.86
Month ago	50.7	56.7	54.7	74.12	57.66
Year ago	65.6	72.7	70.3	70.64	111.43
High, 1940	69.2	92.2	84.4	102.63	100.81
Low, 1940	50.7	56.0	54.7	66.44	55.16



JOINS BOARDS

Brig.-Gen. C. H. Maclaren, Buckingham, Que., who has been elected to the board of directors and the Ottawa advisory board of Toronto General Trusts Corp., and has also joined the board of the Bank of Nova Scotia. Brig.-Gen. Maclaren, who is president of Maclaren Power & Paper Co., is taking the place of the late Albert Maclaren.

Remington Rand Adjusts Markets

Loses British Business But Now Selling to United States

War conditions have necessitated readjustments in markets of Remington Rand Ltd. The recent withdrawal of British import quotas for all Canadian made typewriters closed an important market for the company.

In recent years, about 90% of all typewriters exported from Canada to Great Britain were Remingtons, according to the company. To date, this volume has been largely replaced by the opening of new outlets, thus keeping a large proportion of employees in the Canadian plant at work full time.

Precedent has been upset by the fact that large quantities of typewriters manufactured in the Hamilton factory now are being shipped to the United States. It is believed, according to Remington Rand, that this is the first time a Canadian company has sold typewriters in the American market.

J. E. Reynolds, president, announces the entire surplus manufacturing facilities of the Hamilton plant have been placed at the disposal of the Dominion Government for the production of wartime equipment.

Investment Notes

International Nickel—Four large U.S. investment trusts between them added 20,100 shares of this stock to their portfolio during the second-quarter of this year. One trust sold 500 shares although retaining 9,500 shares at the end of June. The five trusts together held 74,000 shares of International Nickel Stock at June 30.

* * *

Aluminium Ltd.—Tri-Continental Corp. added 250 shares of this stock to its portfolio in the second quarter of 1940, bringing holdings to 4,770.

* * *

International Petroleum—U.S. & Foreign Securities Corp. disposed of its entire holdings of 5,000 shares of this stock in the three months ended June 30.

* * *

Hudson Bay Mining — American General Corp. and Equity Corp. together added 700 shares of this stock to their portfolios in the second 1940 quarter, bringing total holdings to 11,900 shares.

* * *

McIntyre - Porcupine — Among stocks purchased by American General Corp. and Equity Corp. in the past quarter were 400 shares of this Canadian gold mining stock.

Paramount Earns. $1.01 a Share

Six Months Net This Year Rises to $3.1 Millions

Earnings of Paramount Pictures Inc. for six months ended June 29, 1940, are estimated at $3,084,000. This includes $1,039,000 share of undistributed earnings of partially owned, non-consolidated subsidiaries and $66,000 profit on purchase of debentures. Comparative earnings for six months ended July 1, 1939, were $2,130,000, including $978,000 share in earnings of subsidiaries.

Earnings for three months ended June 29, 1940, after interest and all charges including additional foreign and U. S. federal taxes from Jan. 1, were estimated at $1,478,000, against $830,000 in the corresponding period in 1939. These amounts included $323,000 in 1940 and $300,000 in 1939 representing Paramount's direct and indirect net interest of partially owned non-consolidated subsidiaries. In 1940, also, there was included $58,000 profit on purchase of debentures.

Shares outstanding at June 29, 1940, were as follows: First preferred, 141,590; second preferred, 555,071; common, 2,465,927. After deducting amounts applicable to preferred shares, earnings on the common stock for six months ended June 29, 1940, were $1.01 per share, against 62 cents in the corresponding period in 1939. For the second quarter, earnings were 48 cents in 1940 and 21 cents in 1939.

Standard Fuel Profits Up

Improvement in earnings is reported by Standard Fuel Co., Toronto, for the year ended April 30, as compared with the previous 12 months. Net frofit of $63,184, equal to $5.33 per share on the 6½% preferred stock, was still below the dividend requirements.

Total tonnage of coal sold showed a moderate decline, compared with the previous year, according to K. R. Marshall, president. Coke sales improved, but the volume of Welsh coal decreased due to inability to obtain adequate supplies during the 1939 navigation season. Average margins realized on sales showed some improvement.

Conditions affecting supplies of some fuels are such that it is impracticable to make any reliable forecast as to the result of operations for the current year, notes Mr. Marshall. It is, therefore, impossible for directors to predict as to the probable date when payments on account of the arrears on the 6½% preferred shares may be commenced. Arrears totalled $2.50 per share on July 1.

BACHELOR
CIGARS
100% Havana Filler
10¢

CANADIAN FUNDS
HELD IN CANADA
FOR
PROTECTION
OF
CANADIAN ASSURED
THE
GENERAL ACCIDENT GROUP
357 BAY ST., TORONTO

City of Lethbridge

Sealed Tenders will be received by the undersigned up to noon on Saturday, August 10th, for the purchase of $250,000.00 City of Lethbridge Serial 4½% Bonds maturing July 1, 1941 to 1960.

Bonds are payable at par in Canadian Funds in Toronto, Montreal and Lethbridge.

The highest or any tender not necessarily accepted.

T. H. FLEETWOOD
City Treasurer.

Designers and Manufacturers
CONVEYING AND ELEVATING EQUIPMENT
MODERN POWER TRANSMISSION EQUIPMENT
COAL AND ORE HANDLING BRIDGES
WELDED PROCESSING EQUIPMENT
STEAM GENERATING EQUIPMENT
BALDWIN-SOUTHWARK HYDRAULIC PRESSES
We Invite Your Inquiries
UNITED STEEL CORPORATION
LIMITED
TORONTO . . WELLAND
DODGE MANUFACTURING DIVISION
CANADIAN MEAD MORRISON
MONTREAL . . WINNIPEG

IF GASOLINE PRICES
Make You Think—Think of This!

Do you believe that costs of production and distribution are all so equal that selling prices of different gasolines should not vary? Of course you don't.

Do you believe that savings in cost of production and distribution should be passed along to motorists? Of course you do.

Then why pay more than necessary for First Grade quality gasoline?

GOOD RICH "GOLD STAR" is a First Grade Premium Quality Gasoline—80 Octane. It equals or excels in all round efficiency, gasolines costing considerably more.

Try a tankful—prove it for yourself.

SAVE MONEY
On Every Gallon You Buy
and
On Every Mile You Drive.

GOLD STAR 16 8/10 ¢ A GALLON PLUS TAX
BLUE STAR 14 8/10 ¢ A GALLON PLUS TAX
CONTAINS TETRAETHYL LEAD

GOOD RICH
OIL COMPANY
CANADA'S LARGEST INDEPENDENT OIL REFINERY
PORT CREDIT ONTARIO

Paper Mills AND Properties For Sale

Judicial Sale of the Property, Undertaking and Assets of

Abitibi Power & Paper Company, Limited

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

MONTREAL TRUST COMPANY, Plaintiff

—and—

ABITIBI POWER & PAPER COMPANY, LIMITED, JOSEPH P. RIPLEY, STANTON GRIFFIS, MILTON C. CROSS, W. E. SOMERVILLE, EDWARD E. REID, ANDREW FLEMING and W. A. ARBUCKLE, Defendants.

Pursuant to the order of the Honourable Mr. Justice Middleton dated the 10th day of June, 1940, and to the direction of the Master of the Supreme Court of Ontario, there will be offered for sale by Public Auction by the said Master at his Chambers at Osgoode Hall, Toronto, on Wednesday, October 16, 1940, at 2.30 o'clock p.m., subject to a reserve bid, the undertaking, property and assets of Abitibi Power & Paper Company, Limited, as a going concern.

For particulars apply to the Receiver and Manager, G. T. Clarkson, 408 University Avenue, Toronto, or to Johnston, Heighington, Tory & Johnston, Solicitors for the Receiver and Manager, 80 King Street West, Toronto, or to

MONTREAL TRUST COMPANY,
61 Yonge Street,
Toronto, Ontario.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

DO YOU REQUIRE A SECRETARY?

UNIVERSITY graduate, B.A. Degree, female, 30 years of age, now employed as Secretary to Manager of large industry, desires after eight years to make change where further promotion or recognition of services is possible. Well trained in modern sales methods, sales statistics, costs, distribution, etc., with thorough knowledge of stenography, typing and dictaphone work. Position must be permanent. Can furnish excellent references from present employers. Ready to go anywhere. Would expect $125 per month to start. For further details apply to Box 60, The Financial Post, Toronto.

Envelopes for every purpose

Barber-Ellis of Canada, Limited

TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

SUPPORT CANADA'S WAR EFFORT

Buy War Savings Stamps and Certificates

HANSON BROS.
INCORPORATED
Established 1883
255 St. James St. W.
MONTREAL
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A Home that Savings Built

Savings are not just money.... they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build; and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
ASSETS EXCEED $69,000,000

Bond Markets

Expect Little Action In Immediate Future

Closely Regulated Market Displays Extreme Dullness — Ontario's Only Feature of Trading — Some Interest Shown in Paper Issues

Observers are looking for a protracted period of quiet on bond markets. With a close rein held on the high grade market, other issues are expected to fluctuate within a narrow range.

In the past three weeks prices have shown some strength and in the past few days provincial issues have been firm. Trading generally has been extremely dull.

Closely regulated Dominion issues have been firm and quiet. Ontario obligations have come in for a fair turnover, on good demand. More offerings are being made for these bonds than other provincials.

New Brunswick issues have shown some firmness since the province's maturing issue of $1.4 million was refunded on August 1.

Recently United States institutions have been purchasing Canadian securities. If fear of investing in the securities of a nation at war abates, this movement might gain some impetus.

* * *

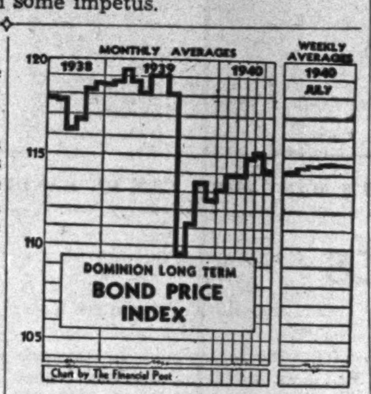


Chart by The Financial Post

"Marginal" Bonds

Some of the bonds, which were once marginal, are now beginning to move out of that category.

Demand has been growing for such issues as Consolidated Paper 5½'s of '61. Since the outbreak of war the so-called paper bonds have been favored by investors because of the favorable statistical position of the industry.

Consolidated paid its last bond interest due July 2 in stock on the basis of 5 shares for each $1,000 principal amount of bonds. According to the provisions of the trust deed, the company cannot pay any bond interest that would reduce working capital below $10 millions.

Payment of this interest in stock improved the working capital to that extent and there is a strong possibility that when the next date comes along for payment on Jan. 2 it will be built up sufficiently to permit payment in cash. At the end of 1939 The Financial Post Corporation Service shows net working capital of $7.5 millions, compared with $4.8 millions at Dec. 31, 1938.

In recent years working capital has been materially strengthened and with the marked improvement shown in the current year should show an even higher rate of betterment.

* * *

New Financing

Canadian Government and municipal bond financing in the first seven months of the current year was the largest for a similar period since 1931, according to Wood, Gundy & Co.

Total financing of this class for the seven months period was $717.5 millions, which included the first Canadian war loan of $250 millions. This item was largely responsible for bringing the total up to the nine-year high level.

New provincial bond financing totalled $107.2 millions. All financing during this period was undertaken within the Dominion.

New municipal financing totalled $1.2 million, comprised largely of several Maritime and Quebec issues.

Reflecting dearth of new financing in the industrial field, corporation financing was the lowest for this seven months period since 1935.

Following is a comparative tabulation of new bond financing in 1940 and 1939:

New Bond Financing
For Seven Months Ended July 31

	1940	1939
	(In 000's of $)	
Govt. & Munic.:		
Dom. dir. & gtd.	605,000	204,500
Prov. dir. & gtd.	107,158	94,187
Ont. municipal	3,050	5,282
Que. & Mar. munic.	1,421	15,675
Western munic.	851	208
Total	717,481	319,853
Dom. treas. bills	515,000	365,000
Corporation:		
Pub. utility	19,740	156,766
Railway	......	6,500
Indust. & misc.	4,411	27,802
Total	24,151	191,069

* * *

Bond Index

DOMINION OF CANADA
Long-term Bond Index

	Latest week July 26-Aug. 1	Preceding week July 19-25	Weekly average year ago
Price	114.9	114.7	[illegible]
Yield	72.4	72.6	66.6

Bond Sales

Dominion Treasury Bills

Yield on Dominion Treasury Bills took a sharp dip with an issue of $35 millions sold Aug. 1. Yield of 0.673% compared with 0.718% for the July 16 issue, the lowest since Sept. 1, last, and was the fourth consecutive issue to show a decline. Average discount price of 99.83062 compared with 99.81928 for the July 16 issue, and the bills mature Nov. 1.

Current issue is to redeem $25 millions issued May 1 and $10 millions issued May 1. The latter amount was issued in connection with the Dominion Government taking over the gold reserves of the Bank of Canada May 1.

Building Contracts Let By Canadian Industries

From Our Own Correspondent

MONTREAL.—Further capital expenditures aggregating around $100,000 are announced by Canadian Industries Ltd.

A general contract for $50,000 has been let covering the erection of three buildings in extension of the company's fertilizer plant at Hamilton. One building will be used for storing bulk mixed fertilizer, the second will be a new truck shipping warehouse and the third, a resale storage warehouse.

A contract of $35,000 for the construction of eight dwelling houses at Brownsburg, Que., has also been let.

$40,000 Contract Let By Dominion Rubber

From Our Own Correspondent

MONTREAL. — Anglin-Norcross Quebec Ltd. has been awarded contract for construction of a two-storey structure and basement extension to the plant here of Dominion Rubber Co. Cost of the work is $40,000.

Manitoba Meets 1940 Maturities

Arranges to Handle Total of $4.1 Millions Due Aug. 1 and Oct. 1

From Our Own Correspondent

WINNIPEG.—Manitoba has made full arrangements to meet $4.1 millions of bond maturities falling due in 1940, The Financial Post learns. Total of $1 million matured Aug. 1, while balance of $3.1 millions falls due Oct. 1.

Total of $3.1 millions of the maturities are being met with cash made available from telephone reserves, provincial and drainage sinking funds and cash on hand. The balance of $1 million is being refunded by the issue of $1 million 2-year bonds, dated Aug. 1, and maturing in 1942, and has been taken up by investment dealers and banks at par. The issue bears interest at 3%, the same as bonds which matured Aug. 1. The Oct. maturities are 4½% bonds.

Issued Telephone System

Of the total maturities, $2.1 millions was originally issued for capital expenditures of the Manitoba Telephone System. In a report made by Carl Goldenberg on affairs of the province last March, it was recommended this amount be paid from reserves of the telephone system. The executive committee of the system concurred.

In addition, the Government has over another $1 million available from provincial and drainage sinking funds and from capital receipts.

Railway Earnings Best Since '29

Returns For Seven Months, at Highest Point Since 1930

From Our Own Correspondent

MONTREAL. — Weekly increases in Canadian rail revenues in July ranged from 33.4% to 44.7%, and combined gross earnings for the month were the highest since July, 1929.

Total operating revenues of the Canadian Pacific Railway and Canadian National Railways were $10.3 millions greater than in the same month last year, amounting to $37.7 millions.

Combined gross earnings for the seven months to July were $226.8 millions, an increase of $50 millions, or 28.2%. This is the most favorable figure since 1930 for this period.

Trend of Revenues

Following are combined gross earnings of the two roads for seven-month periods from 1929 to the current year:

Combined Gross Earnings C.P.R. & C.N.R.
First Seven Months

	$000's		$000's
1940	226,767	1934	161,417
1939	176,889	1933	141,623
1938	169,314	1932	160,674
1937	190,492	1931	201,962
1936	174,379	1930	251,307
1935	162,688	1929	301,588

Commodities

Commodity markets have continued featureless with prices mostly unchanged or down a little. Weekly indices were generally lower.

COMMODITY PRICES

	Latest week	Previous week	Same week last yr.
Cattle	$9.00	$8.50	$6.50
Hogs	9.25	9.75	9.25
Copper, lb.	.11¼	.11½	.10½
Cotton, lb.	.1016	.1019	.0955
Rubber, lb.	.1987	.22	.1670
Sugar, raw, lb.	.0263	.0263	.0290
Silk, lb.	2.53½	2.54	2.62
Wheat, Man. (bu.)	.71⅞	.71¾	.54⅞
Coffee, lb.	.05⅛	.05¼	.05⅛
Hides	.10½	.10½	.12
Weekly Indices			
Canada (D.B.S.)	82.0	82.0	72.1
Do., Wood, Gundy	64.1	65.3	54.1
U. S. Labor	...	77.6	77.9
Dow Jones (future)	50.74	50.94	47.66
Fishers'	81.2	81.6	78.6
Monthly Indices			
Canada (D.B.S.):			
Retail (June)	86.0	86.0	82.9
W'sale (June)	81.6	82.1	73.3
U. S. (May)	78.4	78.6	76.2
Gt. Brit. (Mar.)	129.4	128.5	96.6

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

Vickers Plan Gets Approval

Bondholders Sanction Temporary Scheme — Committee Appointed

From Our Own Correspondent

MONTREAL. — Bondholders of Canadian Vickers Ltd. at an adjourned meeting approved temporary measures to enable the company to proceed with some $10 millions of orders on hand and satisfy bondholders' claims.

The resolution provided:

1. Sinking fund payments on the 6% first mortgage bonds due Aug. 1, 1935 to 1942, inclusive, waived.

2. Bond interest deferred for three years commencing Aug. 1, 1939.

3. Annual government subsidy for 1939, 1940 and 1941 released to the company for capital expenditures.

4. Committee appointed: A. F. Culver, of Royal Securities Corp.; R. D. Bell, Greenshields & Co.; Gerald Hanson, Hanson Bros. Inc.; and J. I. Rankin, Timmins interest. This committee is empowered to issue $750,000 of prior lien bonds as collateral for bank loans.

5. Committee instructed to reach an agreement on the Montreal Drydocks bond guarantee.

Reorganization Plan

It will draw up a plan of reorganization to supplant the present measure when it expires.

Interest due on the bonds Aug. 1, 1939, and subsequent payments were not met. Under the new arrangement these payments are postponed.

The company has a large volume of business on hand, approximating $10 millions. In the year ended Feb. 29 business received was considerably in excess of that received for many years prior. Because the first of this substantial business was not received until August and 50% of the total was not booked until the end of the year, results did not reflect anything near the full extent of business received.

Net loss for the year was reduced to $6,827 from $79,599 in the previous year.

Because of the necessity of making extensive changes and improvements to take care of the equipment the present plan was suggested as a temporary measure. This will improve working capital position and permit the company to make bank loans on the strength of the $750,000 prior lien bonds created for collateral.

There were $502,000 principal amount of bonds represented at the meeting, out of $2.5 millions outstanding. The resolution was approved by bondholders by an overwhelming majority.

Can. Invest. Fund Assets Decline

Drop of 25% in Value Is Experienced in Second Quarter

From Our Own Correspondent

MONTREAL.—Net asset value of Canadian Investment Fund Ltd. investments in the quarter ended June 30 declined 25%, according to statement to shareholders accompanying the quarterly dividend payment of four cents a share.

At June 30 the company's portfolio consisted of the common stocks of 37 Canadian companies and 13 United States companies. There were four Canadian preferred stocks and three Canadian bonds.

There were 95.59% of the company's assets invested in common stocks; 1.82% in preferred stocks and 2.59% in bonds, on the basis of prevailing market prices at the end of the second quarter.

There were three changes made in investment portfolio during the quarter, as follows:

Holdings of General Electric common stock increased to 10,000 shares from 8,700.

Crown Zellerbach Corp. common increased to 9,900 shares from 9,000.

1,000 shares of International Power and Paper 5% preferred eliminated.

Events May Hit B. C. Japs

(Continued from page 1)

or paper in this market since the "China incident" began.

The fundamental problem of the Japanese in British Columbia is the birth rate, which is far in excess of the rate for all other racial origins. It is estimated that there are about 30,000 Japanese in British Columbia, mostly in Vancouver and the lower mainland.

Metal Exports Down

Metal exports to Japan, an old source of criticism from those who would boycott a troublesome neighbor, have apparently been severely reduced since the war. All metal exports are subject to rigid control by the Canadian governments, and it is understood that permits have been refused for scrap iron and reduced for nickel and other base metals, except copper.

Japan continues to take the entire output of B. C.'s Granby Consolidated Mining & Smelting Co., but the constant threat of contract cancellation has induced Granby to go ahead with plans for a smelter which would make the company independent of the Oriental outlet.

In this connection coast interests are urging the Canadian metals controller to support establishment of a coast smelter to handle Britannia as well as Granby ore, and blister copper from Manitoba.

Wood, Alexander Plans To Purchase Bonds

Wood, Alexander & James, Ltd., has $28,000 available for the purchase of 6% first mortgage bonds. The purchase will be made under provisions of the sinking fund, whereby $10,000 is retired annually.

Offers will be received by the trustee, National Trust Co. of Hamilton, up to and including Aug. 15. Each offer will be deemed to include accrued interest, and to be for the whole or any part of the amount offered at the rate specified in the offer.

August Dividends Rise Above Last Year's Level

Dividends to be paid by Canadian companies in August this year will amount to $6.9 millions, compared with $6.6 millions in Aug., 1939, according to estimates by The Financial Post. This will bring the total for the first eight months of 1940 to $182.9 millions, a gain of $6.3 millions from the corresponding months of 1939.

Four companies are paying extras this month. Canadian Oil Companies, Hollinger, St. Lawrence Flour and Toburn Gold are all making additional payments to shareholders. Increases in the regular rate of payments have been announced by Crown Cork & Seal and Ontario Steel Products.

Initial dividends are being paid by Kerr Addison and Upper Canada Mines. Canadian Converters is making its first payment since May, 1937, with 50 cents a share. Regent Knitting has resumed payments with 40 cents a share on its preferred, first payment to be made since Dec., 1938. United Grain Growers is paying $1.25 a share after omitting all dividends since Sept. 1936. General Steel Wares is disbursing 25 cents a share as a participating dividend on its preferred.

Privateer Mine is the only company reducing dividends this month with a three-cent payment instead of the former five-cent rate.

Only two months, February and June, this year have failed to show increases over corresponding months in 1939. With the total growing steadily, prospects now appear good that aggregate dividends to be paid this year will exceed those of 1939.

January	22,938,309	20,670,579
February	6,779,319	7,002,808
March	28,740,412	26,233,492
April	23,487,730	20,895,644
May	7,927,144	6,892,927
June	58,508,850	64,924,477
July	27,675,919	23,543,271
August	6,880,781	6,516,263
Total	182,938,464	176,879,461

Summary of August Payments

	1940 $	1939 $
Dividends	6,880,781	6,516,263
Bond interest	12,892,000	12,474,000
Total	19,772,781	18,990,263

Dividend Payments

Company	Rate $	Date	Amount $
Anglo-Can. Tele., p.	.68¾q	1	56,787
Ault & Wiborg, p.	1.37½q	1	6,182
Bathurst Power, A	.25	1	100,000
Beatty Bros., 1st pf.	1.50q	1	15,000
Blue Ribbon, pfd.	.62½q	1	18,656
B. C. Tele., 2nd pf.	1.50q	1	67,500
Brown Oil, pref.	1.50q	28	6,300
Buff. Ankerite G.	.06	2	42,100
Calgary Power, pf.	1.50q	1	88,500
Canada Starch	.50	1	29,682
Do., pref.	3.50s	15	107,418
Can. Bk of Commerce	2q	1	600,000
Can. Bronze	.37½q	1	30,000
Do., pref.	1.25q	1	9,375
Can. Converters	.50	15	8,667
Can. Fairbanks., c.	.50	15	40,000
Can. Investors	.10q	1	10,000
Can. Inv. Fd., sp. ord.	.04q	1	95,565
Canadian Oil, c.	.12½q	15	17,970
Do., extra	.12½	15	17,970
Corp. Investors	.05q	15	9,878
Crown Cork	.50	15	50,000
Coast Brew.	.03q	1	54,094
Comm'wealth Intnl.	.04q	15	6,535
Coniagas Mines	.12½q	8	100,000
Conduits National	.15	8	24,120
Cosmos Imperial, c.	.30q	15	30,000
Distillers-Seag., pf.	†1.25q	1	203,437
Dominion Bank	2.50q	1	175,000
Dominion Bridge	.30q	24	154,185
Dominion Tar, pf.	1.37½q	1	69,231
East Malartic M.	.10	31	400,000
Easy Washing, pf.	.17½	15	1,125
Extension Oil	.01⅛	31	30,000
Four Star Pete.	.01	15	10,000
Gen. Steel Wares, p.	1.75q	20	78,750
Do., participating	.25	20	11,250
Guelph Carpet, pf.	1.62½	1	8,125
Gurd, Chas., p.	1.75q	15	4,200
Hedley Mascot G.	.02	15	45,282
Hollinger Cons.	.05	12	246,000
Do., extra	.05	12	246,000
Humberstone Shoe	.25q	1	5,000
Hydro El. Secs., B p.	.25s	1	168,065
Imperial Bank	2.50q	1	175,000
Inter. Metal, pf.	1.50q	1	46,231
Do., A pref.	1.50q	1	21,577
Inter. Nickel, pf.	†1.75q	1	483,486
Inter. Util., pfd.	†.87½q	1	86,597
Kerr Addison	*.05	1	236,515
Leitch Gold	.02q	15	57,000
Little Long Lac	.10	20	184,100
Loblaw Groc. Inc.	†.20q	31	67,298
Mtge. Corp. N. S.	1.50q	1	10,200
Ontario Steel	.75	15	36,330
Do., pref.	1.75q	15	6,304
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Privateer Mines	.03	10	73,622
Provincial Transport	.20s	15	50,000
Quebec Power	.25q	26	138,299
Quinte Milk Prod.	.10	1	3,600
Regent Knit., pfd.	.40	1	6,400
Rolland Paper, c.	.15q	15	9,000
Saguenay Pr., p.	1.37½q	1	68,750
Shawinigan Pr.	.23q	26	500,997
Sherbrooke Trust	1.50q	1	4,500
Simpsons, pref.	1.62½q	1	182,812
South. Can. Pwr., c.	.20q	15	79,998
St. Law. Flour	.25q	1	9,000
Do., bonus	.50	1	18,000
Do., pref.	1.75q	1	10,062
Steel of Canada	.43¾q	1	201,250
Do., pref.	.43¾q	1	113,685
Toburn Gold	.02	22	37,000
Do., extra	.02	22	37,000
United Corp., A	.38q	15	20,115
United Grain G.	1.25	1	159,470
Upper Can. Mines	*.03	31	88,590
Vulcan Br. Pete.	.01½	2	12,400
Weston, Geo., pfd.	1.25q	1	21,875
Wood, A. & J., pf.	1.75q	1	11,375
York Knitting	.10	.	22,901
Do., 1st pref.	3.50s	.	5,250
Do., 2nd pref.	3.50s	.	10,500
Zellers, pref.	.37½q	1	11,250
Total			6,880,781

*Initial. †Payable in U. S. funds. q—Quarterly. s—Semi-annually.

Internat. Paper Profits Rise

Total of $6 Millions Is Forecast For Second Quarter

From Our Own Correspondent

MONTREAL.—Reflecting a sharp increase in demand for paper and higher prices prevailing in a number of lines, earnings for the three months ended June 30, 1940, are expected to reach $6 millions. This would be approximately twice the $2,960,573 earned in the first quarter of this year.

Paper and pulp sales by the company are reported to have been more than 50% greater in the last three months than for the same period last year.

Big Share Earnings

Provided the official interim report bears out the forecast, earnings of $6 millions will mean more than $2.50 a share on the common for the quarterly period.

The most profitable year for International Paper in many years came in 1939 when earnings ran to nearly $9.2 millions. Thus it is probable that in the first half of 1940 the company earned almost as much if not more than in its most profitable full year in recent history.

Claim Excess Profits Tax Affects Under 1,000 Firms

From Our Own Correspondent

OTTAWA.—Less than 1,000 Canadian companies will be affected by the new excess profits tax, according to officials of the national revenue department. This number, of course, includes nearly all the sizeable companies in Canada.

No rush of demands for rulings from tax officials has developed, and, where asked, rulings are being given, it is claimed.

Cutting down the number of companies affected is the provision exempting businesses where the profits, before any salary or drawings by proprietors or shareholders, do not exceed $5,000 per annum. Half of all Canadian companies, under this clause, have no worries about the 75% profits tax, officials point out.

Among taxable companies, about half the number will come under the straight 30% corporation tax, rather than the 18-20% income tax plus 75% on excess profits.

Rulings on the inclusion of companies in the depressed businesses classification will weed out a further number of companies. Clarification of disputed points regarding application of the depressed businesses clause will be undertaken on the basis of individual companies for the most part. The board of referees will rule on which companies are not in the depressed category and therefore taxable under excess profits provisions. In this group, officials believe, about 1,000 companies will remain.

So far, businessmen don't know how the referee board is going to act or what its attitude is going to be.

Questions of the four-year average in determining the basic tax rate present little difficulties, and no confusion should arise, in the opinion of Ottawa officials. Departmental records are available and are serving as guidance in judging individual cases.

P. E. Island Issue Selling Well

$450,000 Offering Being Made to Yield 4.11%

Mills, Spence & Co. and McLeod, Young Weir & Co. are offering a $450,000 issue of Prince Edward Island 5-year 4% bonds. The issue is partially optioned.

Bonds are being offered at 99.5 to yield 4.11%, and are dated August 1, to mature in 1945. The issue is stated to be selling well and proceeds will be used principally to refund bank loans made for 1939 capital expenditures.

Electrolux Corp. Defers Action on Dividend

From Our Own Correspondent

MONTREAL. — Electrolux Corp. directors have deferred action on its common dividends usually taken at this time, the Montreal Stock Exchange has been informed. Uncertainty of the form which the U. S. federal "excess" profits tax is to take is given as the reason.

Despite this move the company reports that earnings for the year are ahead of last year. The directors deem it advisable to ascertain requirements of the "excess" profits tax before taking any action.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	105
Ont. Power	5%	1943	Aug. 15	‡
Wood, Alex. & J.	6%	1944	Aug. 15	†

Calling for tenders for ‡$125,000. †$28,000.

Bond Tenders

Aug. 16, City of Lethbridge—$250,000, 4½%, 1-20 yr. serials. T. H. Fleetwood, city treas.

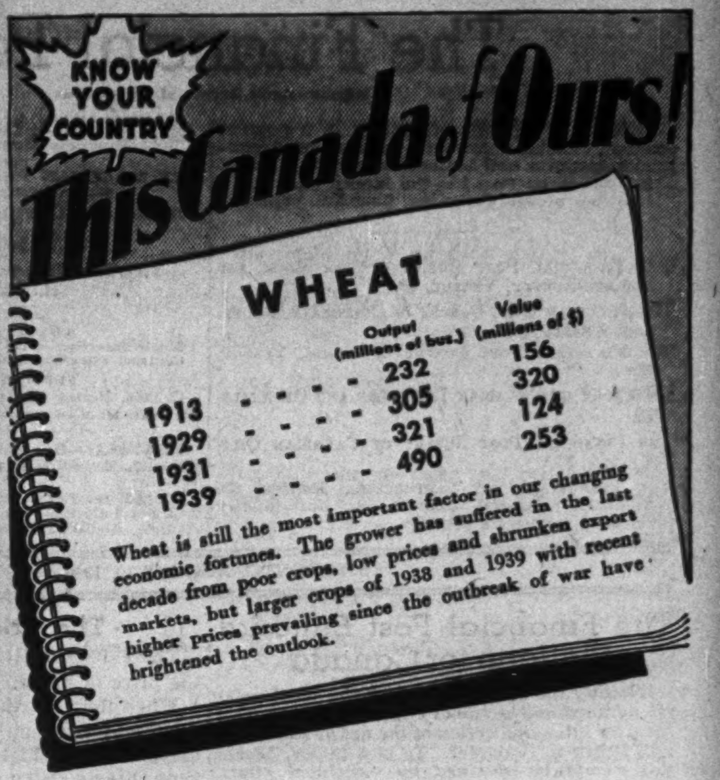
Aug. 6, Beamsville, Ont.—$11,000, 3½%, 10-yr. serials.

Maritime Telephone Traffic at New Peak

MONTREAL.—Long distance toll traffic handled by the Maritime Telegraph and Telephone Co. for the first half of 1940 was approximately 12.3% greater than in the first half of last year.

During June there were 142,230 calls handled, an increase of 6,720 over the same month last year. All districts shared in the gain.

The increase in toll traffic is reflected in the number of stations on the company's system. At the end of June there were 44,771 stations, the largest number in the company's history, and comparing with 44,477 at the end of May.


KNOW YOUR COUNTRY
This Canada of Ours!
WHEAT
Output (millions of bus.)
Value (millions of $)
1913 232 156
1929 305 320
1931 321 124
1939 490 253
Wheat is still the most important factor in our changing economic fortunes. The grower has suffered in the last decade from poor crops, low prices and shrunken export markets, but larger crops of 1938 and 1939 with recent higher prices prevailing since the outbreak of war have brightened the outlook.

● For many years this Bank has had an important part in financing Canada's wheat crop and its movement to market. This part includes:

Loans to assist the growers from seed-time to harvest.

Advances against grain in the elevators pending shipment.

The financing of sales, domestic and export, including the handling of shipping documents.

The final collection of the sale price and transfer of the funds from Great Britain or elsewhere.

Know Your Bank—it can serve you in many ways.

The BANK of NOVA SCOTIA

EST. 1832—OVER A CENTURY OF BANKING EXPERIENCE

Building Products Ltd. Sales Continue Up

From Our Own Correspondent

MONTREAL.—Sales of Building Products Ltd. for the first six months of the current year are reported to have continued the record upward trend established in the first three months of the year.

Construction activities have been at a high level and the company has benefitted to a great degree from increased demands for its products. This building construction consists of industrial, government and private enterprise.

It is expected that the company's $250,000 building and paper mill in Winnipeg will be completed and in operation for the last quarter of the current year. This plant will service the building trade in western Canada.

The company experienced better earnings in the year ended Dec. 31, 1939, with net profit being equal to $1.01 on the common shares outstanding, compared wiht 77 cents in 1938.

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INVESTMENT POLICY?

—If an invasion of Great Britain is attempted
—Re the Foreign Security holdings of Canadians
—Comparative situation in Canada, 1932 & 1940

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TORONTO, AUGUST 10, 1940

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Post believes the situation demands:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Reorganization of war department and appointment of one supreme authority, competent to plan, determine and programme our war needs.*
3. *Appointment of non-political industrial co-ordinator with complete authority to direct procurement of munitions and supply.*
4. *Fullest co-operation and co-ordination—military, industrial and financial—with the United States as well as with Great Britain.*
5. *Pay-as-we-go policy, in so far as consistent with "total" war. Elimination of public and private waste.*

Salvaging the Waste

In the Commons last week, Joseph H. Harris, M.P. for Danforth, made reference to one phase of Canada's war effort which has barely been touched—avoidance and salvage of waste.

Said Businessman Harris:

> "If, in an ordinary business enterprise, the directors see to it that those charged with the operations are provident and tolerate no unnecessary waste, that business will prosper.
>
> "We are now considering the greatest business that Canada has ever had in time of war, and I feel disposed to say that the amount of waste in the conduct of this business amounts almost to a tragedy."

Mr. Harris quoted a few examples of "official" waste at Barriefield, at Camp Borden and elsewhere. He cited wastage of copper wire, scrap metal, tin cans, motor oil, secondhand uniforms, paper.

In the last war, salvage and conservation campaigns reached huge proportions and netted tremendous results. In the U. S., for example, salvage campaigns are reputed to have lifted the turnover of the junk business from $100 millions to more than a billion dollars in one year.

In England, in 1917, 13,000 tons of fat which otherwise would have been wasted was collected. It produced 1,300 tons of glycerine which in turn was enough to supply the explosive for 18 million 18-pounder shells.

* * *

Most of us only require a little leadership and direction to contribute substantially in this way. There is no reason why Canadians could not salvage the equivalent of at least six million dollars a month (about 50 cents per person) by careful, consistent effort. We could not only save materials now wasted but conserve things now used extravagantly.

Results in Canadian communities which have already organized their own salvage depots, support this view. In Brantford, for example, a community depot organized by the Local Council of Women under public-spirited Mrs. George Cockshutt has been collecting three to five tons of material a day. The money goes to swell Red Cross funds.

Organizing this effort on a national scale is clearly a job for Hon. James Gardiner's new department of National War Services. While Mr. Gardiner and his organization get their wheels rolling, every community can make a start by setting up salvage depots, or encouraging habits of thrift and conservation in respect of materials especially vital to the war effort.

Where Are the Sky Signs?

Travelling on the new T. C. A. run from Toronto to Windsor last week, a staff writer of The Post suddenly discovered that all beneath him was totally unfamiliar country. He knew that somewhere 4,000 feet below were throbbing centres of industry, Kitchener, Galt, Guelph, Brampton and scores of others. Hamilton he could identify by the lake front and later Windsor and Detroit also, by the same means. But even with the aid of a most capable hostess, it was difficult to find definite landmarks in the hinterland. He had to guess that a certain cluster of trees with a glimpse of a roof might be Ingersoll or Paris, or perhaps just a big bit of real bush, and let it go at that.

Everything was reduced to almost complete flatness with wide squares of contrasting colors the only distinction. Brown or yellow meant ripe fields of grain; light green, pastures, gardens, corn or tobacco; dark green, woodland or tree-lined town and city streets.

What are enterprising boards of trade and chambers of commerce going to do about this new anonymity?

Entering any of these towns by rail, motor or foot, the visitor is left in no doubt. Signs, attractive and otherwise, promptly acquaint him with the name of the place, and its advantages, both industrial and tourist. From the air, however, such signs are invisible.

Obviously, sky-visible location signs are needed. These might be worked out in large white stone or contrasting shrubbery for the daytime, and with specially focused lights at night. In this way, the flying industrialists, with thoughts perhaps of a factory site in his mind, will know and recognize thriving young communities as he moves swiftly aloft through the stratosphere.

The Price of Bread

There may still be some wrangling over the price of bread.

When the government announced a 15-cent a bushel processing tax on wheat, many bakers announced higher prices. At the same time Ottawa stated officially that the new tax did not justify an increase. Now prices have been pegged at the July 23 level, pending further study by the Wartime Prices and Trade Control Board.

Obviously the $7 millions a year needed to pay this tax cannot be plucked out of thin air.

There are not enough profits in the entire milling industry to pay such a tax. Millers will pass it on to bakers, who in turn, because of the narrow margin on which they operate, will pass it on to consumers.

Informative figures in the annual report of Canada Bread Co. last week showed that rising flour costs in 1939-40 had already cut the bread profit margin from one-half to one-quarter cent a loaf. The new tax which amounts to about one-quarter of a cent per loaf would wipe out this very small spread.

The new tax means that millers will pay 85 cents a bushel for their wheat this year. Back in 1935, when wheat prices averaged about that figure, flour prices were considerably lower than they are today—even without the new processing tax. At that time, bread was selling for about 6 cents a pound. Today it is 6.3 cents per pound. If flour prices continue to rise by the full amount of the tax (70 cents a bushel) a price of about 6.5 cents a pound would therefore seem justified.

Because of the new demand and supply factors now looming ahead for 1940-41, flour prices may not remain as high as they have been in the past 12 months. In that case consumers will "absorb" the tax by foregoing lower prices they otherwise would enjoy.

The Sheep and the Goats

The politicians have rushed through their unemployment insurance act. Now it is up to Canadians to foot the bill.

Not included in the act are tens of thousands of civil servants who live in Ottawa and elsewhere. No civil servant will be called on to pay contributions.

It is easy to argue that this is as it should be. Civil servants, it can be justly claimed, have a high degree of employment stability. Why then should they be taxed? In Britain they are excluded.

If the argument is a sound one for civil servants it is a sound one for other occupations, equally stable in employment. What about tens of thousands of employees of financial institutions—banks, insurance companies and the like, whose record for steady employment closely parallels the civil service? Why should they not have been placed in the same category?

This question was raised by V. R. Smith, chairman of the social insurance committee of the Canadian Life Insurance Officers Association in representations to the Commons committee. He pointed out for example, that the thousands of employees of the proposed Unemployment Insurance Commission would be men and women with almost identical work and responsibilities to those of a private insurance company. Yet these persons are, apparently, to be exempt. The same is true of the men and women to whom the Government pays salaries and commissions for selling Government annuities at less than cost.

There is no good reason for this discrimination.

"New Canadians" and the War Effort

Recruiting of men, money and materials for Canada's war effort has largely overlooked the potentially valuable contribution that could readily be made if some encouragement and support were given to Canada's foreign language groups.

This applies especially to the Czech, Polish, Norwegian, Dutch, Belgian, "Free French" and similar groups whose origins and sentiments make them vitally interested in the overthrow of Nazi power in Europe. It might be extended to other nationals from Greece, Bulgaria, Jugoslavia and other countries now threatened with conquest or with direct embroilment in war.

Already there are Polish, French and other foreign units allied with the British forces. There is no reason why there should not be "foreign" legions in Canada's armed forces and expansion of the foreign units of the Red Cross, etc. Already there is a Norwegian branch of the Canadian Red Cross and Polish, Finnish and Ukrainian groups in various localities.

Last week, General William Steffens of the Norwegian army arrived in Canada to organize fighting units of Canadian-Norwegians. A Norwegian War Aid Fund Association is active in raising funds in this country. Plans have been launched for training Norwegian fliers in Canada.

Pro-British groups among Finns, Poles, Belgians, Czechs, Ukrainians and other nationals in Canada are active in supporting the war effort. Speaking in the Saskatchewan legislature, a Ukrainian member, Orest Zerebko, testified to the loyal backing of his fellow Canadians of the same origins. He noted that there were over 250,000 Ukrainians in western Canada, and declared that "my people are behind Canada and the Empire in this war."

One effective phase of organized effort to win goodwill of foreign groups might be the establishment of a liaison and information bureau. This could work two ways. On the one hand, it could assist through foreign language journals and other media to counteract Nazi-Communist propaganda, and present an accurate picture of British aims, war operations and interest in the foreign groups' support. It could keep Canadian newspapers and the public posted on the contribution of New Canadians and their homelands to the war effort, thus winning further goodwill and support.

The great majority of Canada's non-British people offer a fertile field for such an effort, not only because of their ties with their homelands but as Canadians imbued with an anxious desire to see freedom preserved. Some concrete interest and encouragement would assure these people that their loyalty and aid are appreciated.

Editorials in Brief

Having now practically achieved unemployment insurance, says the Napanee Beaver, we must begin to tackle the real problem, which is to find workable methods to prevent unemployment.

* * *

It would have been a great scoop for the Director of Information had he obtained General Pershing's magnificent plea for American aid as one of the series "Facing the Facts."

Had Canada a short-wave station this broadcast could (and should) have been picked up and relayed across the world.

* * *

From a train window passengers can see a big sign:

"SMITHS FALLS—LOCATE HERE, YOU'LL LIKE IT."

As they reach the station they have reason to believe the sign. The reason is that the depot is enclosed by one of the most attractive, well-kept gardens of its kind in Canada.

There's a lesson here for civic authorities, merchants, transportation companies, service clubs, and all who are interested in making their community attractive to the passer-by whether he be merely a visitor or a prospective industrialist.

* * *

Canadians are becoming a race of functionaries, says J. Arthur Mathewson, K.C., provincial treasurer of Quebec. He deplores the "disconcerting tendency of people to turn to the Government not only for guidance but for actual control and administration of their own business" and the "defeatist attitude of thousands of our people who deliberately and consciously seek minor Government employment rather than face the risk of failure and hope of success in economic battle."

Try to get the Government out of business, urged Mr. Mathewson before a Montreal Kiwanis group last week. "Let business be handled by businessmen. Instead of turning to the Government to solve your problems, solve them yourselves."

* * *

Some of the reasons why the Canadian automobile industry is swinging so effectively and promptly behind the war effort are found in the 1940 edition of "Facts and Figures," published annually by the Canadian Automobile Chamber of Commerce.

The report shows that in 1939 the industry in Canada produced over 500 units a working day. Some 14,400 persons were employed at an average remuneration of $1,430. Another 16,500 were employed by manufacturers of parts and materials.

In addition to its own huge plants with floor space of 6.4 million square feet, the industry bought over $90 millions of parts and materials from other manufacturers geared to supply the needs of this industry.

Capital employed last year was $60 millions and value of products (at works) about $100 millions.

The Canadian Editorial of the Week

Municipal Economy

Edmonton Journal

In a recent report to the taxpayers of Brantford, Ont., E. A. Danby, the city treasurer, made a timely statement that should be heeded by every provincial and municipal taxing authority in Canada.

> "It is the duty of this and other municipalities," said Mr. Danby, "to conserve our resources for the greater cause and so to conduct our affairs that we will then give the maximum of assistance to our government to win a decisive victory and to secure a lasting peace."

These words were directed to the citizens of Brantford in explanation of that city's policy of rigid economy. But they are of interest to every taxpayer in Canada who must share the heavy burden of financing this Dominion's share in the prosecution of the war. It cannot be emphasized too strongly that now is the time for provincial and municipal authorities to start exploring ways and means for drastic reduction of expenditure next year.

Sayings of the Week . . .

"They are gutless."—*R. A. F. pilot home from a raid on Italians in Africa.*

* * *

"All goes to show that the war will be long and hard."—*Prime Minister Churchill.*

* * *

"It makes all the difference in the world whether the banker as an individual is a leader in his community or a civil servant carrying out the orders of a governmental committee."—*Dr. F. Cyril James.*

* * *

"Life, for the first time, has a sinister meaning for this nation."—*David Lloyd George.*

* * *

"It is not refugees whom we plan to receive; it is not just evacuees transferred from range of a menace; it is part of Britain's immortality, part of her past, part of all the hopes for her ultimate future that we take into our keeping."—*Miss Charlotte Whitton.*

* * *

"We must never again lapse into the inadequate position which the armed forces of Canada were in for many years prior to the outbreak of war."—*Hon. J. L. Ralston.*

* * *

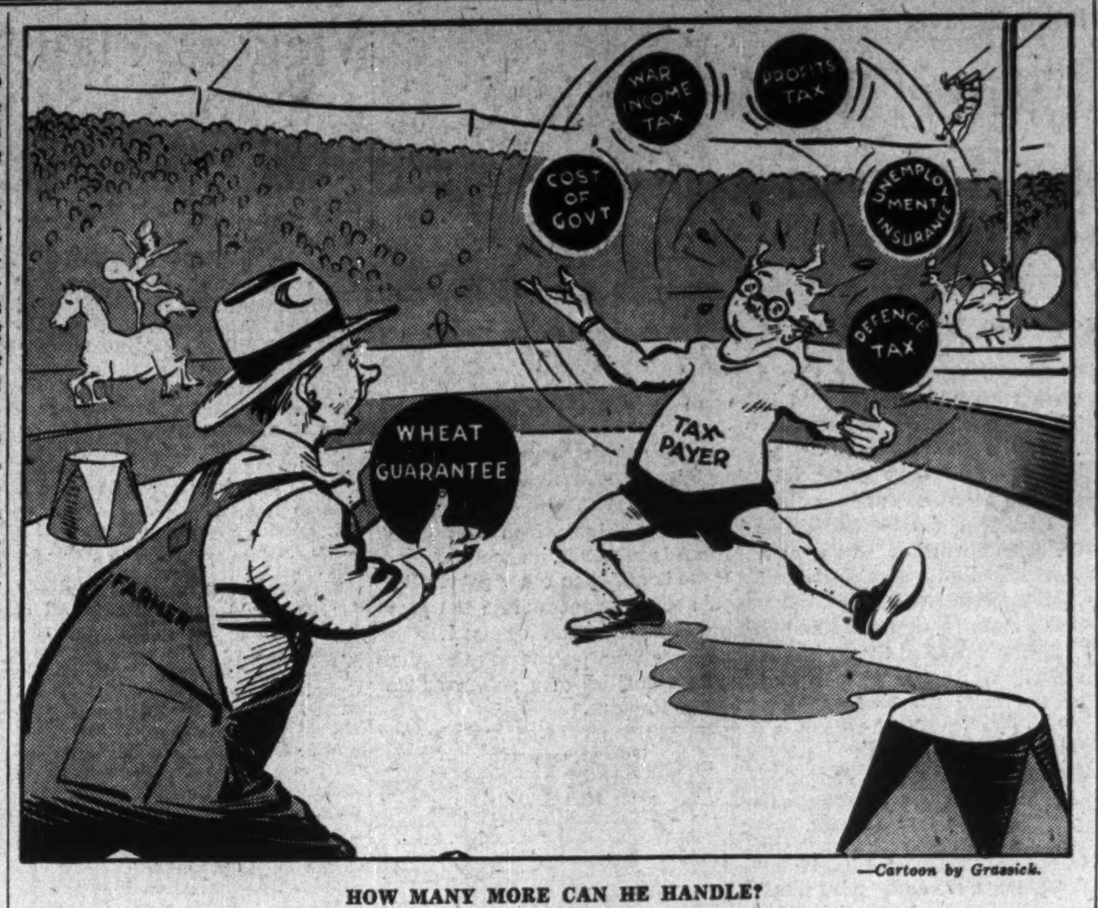
"Perhaps no country in the world is producing automotive equipment in the volume that now obtains in Canada."—*Hon. C. D. Howe.*

* * *

"Tomorrow may be forever too late to keep the war from the Americans." — *General J. J. Pershing.*

* * *

"It is vital that we, in this country, shall lose no opportunity to keep alive everywhere in the world the hope that sanity and constructive endeavor will yet gain ascendancy over the forces of hatred and destruction, and that we be prepared to play a role worthy of a great nation."—*Hon. Cordell Hull.*



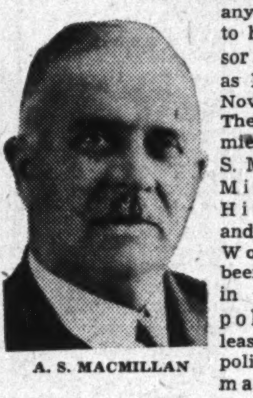
—Cartoon by Grassick.

HOW MANY MORE CAN HE HANDLE?

Post-Scripts . . . .

Macdonald's Successor

When Hon. Angus Macdonald was called to Ottawa by Prime Minister Mackenzie King as Defense Minister of Naval Affairs, no one in Nova Scotia had any doubts as to his successor in office as Premier of Nova Scotia. The new premier, Hon. A. S. MacMillan, Minister of Highways and Public Works, has been a force in provincial politics, at least Liberal politics, for many years.



A. S. MACMILLAN

He might have been premier when the Liberal party came into power seven years ago. However, it was at a time when there was a cry for young blood and the post went to Angus Macdonald. But then and through the intervening years Mr. MacMillan has been a "power behind the throne."

For Mr. McMillan, member of the legislature for Hants, the accession to the premiership climaxed 20 years in provincial politics. He had been chairman of the old Provincial Highways Board, Minister of Highways from 1924 to 1928 under a previous Liberal administration and member of the Legislative Council, the appointive Upper House of the province, now abolished.

* * *

At 69 years Mr. MacMillan brings to his new post a wealth of experience. By profession he is a contractor, builder and lumberman, heading several companies. He contested successfully three general elections. He was defeated in 1920 when he made his first bid for a seat in the legislature.

Mr. MacMillan is a party man, but one imbued with a serious sense of responsibility to his native province of Nova Scotia. He is not given to hasty action. Being of Scottish descent he believes in paying as he goes. This latter trait is well illustrated by one of the first statements he made after taking over the premiership. He predicted "great curtailment of expenditures in various departments . . . cutting to the bone" and added "we do not propose to borrow on capital account any more money than is absolutely necessary to meet the commitments that have already been made."

* * *

Free Frenchman

Last week there came across the ocean to French Canadians a personal appeal from General Charles de Gaulle. Speaking from the B.B.C. studios in London his voice was carried across Canada on both English and French networks. He told his "free French" compatriots on this side of the Atlantic:

> "The soul of France seeks and calls for your help . . . because fate has made of Canada the land where the Old World and the New unite."

What the future holds for this gallant and far-seeing military leader remains to be seen. Of his past, the most significant thing is, of course, the fact that he is one of those who fought through 20 years of peace to establish the idea that machines had transformed military and army strategy and that the "old order" had passed away. He fought for the creation of a motorized and armored division manned by a professional army.

* * *

General de Gaulle was born at Lille, 50 years ago. He graduated from St. Cyr in 1911 and was attached to the 33rd Infantry Regiment. In 1934 he published his ideas in a book, "Vers l'Armée de Metier." It was reported to have gone almost unnoticed in France but to have received much attention in Germany.

The price of death was placed on his head a few days ago by some of his former countrymen, because, to use his own words of last week, he is "a French soldier on whom falls for the moment the great duty of speaking alone in the name of France."

* * *

More "J. G.'s"

Writing in the Regina Leader-Post the other day, Pat O'Dwyer pointed out that all federal agricultural ministers for the past two decades have been from Saskatchewan.

If this precedent is followed, then it is contended that the man who takes over this portfolio from Hon. James G. Gardiner will quite possibly have the same initials: "J. G."

The two men named as possible successors are James Gordon Ross and J. Gordon Taggart.

Mr. Ross has been federal member for Moose Jaw in the past four elections. He is a practical farmer who has been close to his native Saskatchewan soil ever since he graduated from Eastern Canada's MacDonald College many years ago. He is the son of the late Senator James H. Ross, founder of Moose Jaw district.

It was about the Senator that Dr. Edmund Oliver wrote in "Canada and its Provinces.":

> "James H. Ross, a native of London, Ontario, was a rancher of Moose Jaw. With his practical radicalism he combined a political shrewdness of a high order, a great knowledge of men and a remarkable resourcefulness, and he may well be regarded as the father of the northwest."

Today his son is a youthful, parliamentary veteran of under 50 who is carrying on his father's tradition for community leadership.

* * *

The other "J. G." has been commuting of late between Regina and Ottawa. Mr. Taggart is minister of agriculture for Saskatchewan. He is also chairman of the Bacon Control Board.

If he is drafted into the agricultural post it will be no new experience. In 1934 he was drafted from his job as superintendent of the experimental farm at Swift Current.

Strange Appointment

Vancouver Sun

Sometimes the Government of Mr. Mackenzie King does things which even its friends cannot understand. One of them is the appointment of General LaFleche to a high post in the department of national war services as one of its two deputy ministers.

General LaFleche was hurried out of the Defense Department about a year ago and sent to France as military attache at the Canadian legation in Paris. He was sent because he had lost the confidence of Parliament, of the Government and the public.

General LaFleche's technical abilities we do not pretend to judge, and we do not question his private character. But in an administrative post his temperament has proved to be very unsatisfactory. Anyone who heard his frenzied outbursts before the parliamentary committee investigating the Bren gun contract realized at once that he was unsuited to hold any high rank in the civil service of Canada. Now he is back in a position of greatest importance.

Why? When the Government has shown no partisanship whatever in its military appointments, when it has chosen for the highest administrative posts men of no political influence and many Conservatives, why does the Government suddenly elevate a man who gravely injured its reputation when he was in office before?

The explanation may be found in the power of bureaucracy in Ottawa. During the recent budget debate in Parliament Mr. Tom Reid led a vigorous attack on the growing influence of the civil service clique in Ottawa, and other members joined him in condemning it. When any member of the civil service is questioned, these members pointed out, the whole influence of the service unites behind him and even governments seem powerless to resist this silent, relentless force.

A strong civil service, free of political influence, is one of the country's great needs, but it must remain the servant of the people. At a time when the service is being vastly expanded, when Ottawa is teeming with so many new bureaus, boards, committees and extra staffs that hardly anyone knows the names or purposes of them, the Government will have to make sure that Canada does not get bogged down in bureaucracy, which has strangled many other nations.

When a man like General LaFleche has sufficient influence to emerge from under a cloud into one of the key positions in our war effort, the public will feel that the Government is not watching this problem closely enough. If, on the other hand, political influences are at work here, the Government's action is the more to be condemned.

Chief of Staff

Major-General H. D. G. Crerar, D.S.O., who is now vested with final authority in all strategic matters regarding the defense of Canada, is a professional soldier who received his first commission in Canadian forces in 1910. He is now 52 years of age.

His first commission was in the non-permanent militia, obtained after he graduated from Royal Military College, Kingston. But when the war came in 1914, he served in the Canadian artillery overseas for the duration, and returned to enter the permanent force.

GENERAL CRERAR

His appointment as chief of staff came as a result of thorough examination of the roll of available senior officers in the Canadian army by the minister of defense. Plans to reorientate defense headquarters in the face of extraordinary demands created by the new war were laid by the late Hon. Norman McL. Rogers and adopted in the main by Col. Ralston.

* * *

General Crerar served in France and Belgium in the last war. He was promoted from the rank of brigade major to lieutenant colonel the day before the armistice in 1918.

Returning to Canada, he served in the Royal Canadian artillery with the rank of major and brevet lieutenant colonel from 1920, and was successively staff artillery officer at national headquarters; general staff officer, British war office; professor of tactics, Royal Military College, Kingston; general staff officer, grade one, at national headquarters, Ottawa; director of military operations and intelligence, Ottawa; and finally commandant of R.M.C., Kingston.

He is a graduate of the staff college, Camberley, England, and of the Imperial Defense College, London He received the D.S.O. in the last war and was mentioned in dispatches.

* * *

Had General Crerar been listening in the House of Commons last week to discussion of early efforts to reorganize the Canadian militia in the 'thirties he would have known the answers very readily.

It was Crerar who was brought to Ottawa 11 years ago by General McNaughton to reorganize the Canadian militia. That was in 1929. The scheme did not finally mature until December, 1936, when it was belatedly put into effect.

The General is 52 years of age, a Hamiltonian, educated at Upper Canada and at R.M.C. In 1910 he became a lieutenant in the Canadian Field Artillery. He served in France as a brigade major to the Fifth Canadian Division Artillery. Two days before the Armistice he succeeded General McNaughton as Counter Battery Staff Officer with the Canadian Corps in France. After the war his experience included half a dozen years in England in training and staff work with the British Army officials.

His daughter—Peggy—is married to an officer in the Canadian artillery. His 17-year-old son (Peter) is at Upper Canada.

The General is a better-than-average golf player, has a summer place at Foote's Bay, Muskoka. He has been active in the deliberations of the Canadian Branch of the Institute of International Affairs.

Stop Me If . . . .

A young girl at a university recently wrote her mother, air mail special delivery, as follows:

"Please send me money for a new dress immediately. Have had several dates with Jimmy, and have worn each of my dresses once. We have a date tomorrow night, and I must have another dress right away. If you don't send the money, send a new dress.

"Thanks, Ruth."

Her mother answered:

"Dear Ruth: Get yourself a new boy friend and start over again."

As Others See Us . . . .

The Editorial of the Week

Canadian Statesman, Bowmanville

Each week The Financial Post, Canada's outstanding financial publication, features on its editorial page what it terms "The Canadian Editorial of the Week," which means that the editorial staff of The Post in looking over Canadian newspapers from week to week selects one editorial from among the daily and weekly newspapers across the Dominion which they consider outstanding.

Believe it or not, that honor and distinction was given to The Statesman for the editorial in its issue of July 18 headed "Mackenzie King, A Statesman—And A Politician."

Naturally we greatly appreciate this honor coming from such a highly rated publication as The Financial Post, whose own editorials and news columns delve deeper than the mere surface of things.

That is why readers of The Post look forward to its arrival each week as they read it with confidence that the editorials, news columns and its interpretation of national and international affairs have been studied and written by a staff of experts the like of which no other publication in Canada can match for dependability and sane judgment.

Profits and Profiteering

Brantford Expositor

Almost as much time has been spent on discussion of the question of war order profits as on getting the equipment built and the shells manufactured, complains The Financial Post. This journal goes on to point out that the control of profits is important, but that the nature of "profit" must also be defined. "The profit any industry makes is a much smaller consideration to society than the price at which it turns out the goods," argues The Financial Post, adding that, particularly with regard to war production, it is what the taxpayer finally has to pay that counts.

This is sound argument. There should be no disposition to engage in protracted bickerings over bookkeeping technicalities and red-tape applications at the expense of immediate productive efficiency. The Canadian public is not concerned with arithmetical quibbling, but with getting the war effort under way with the greatest possible speed.

To that end better governmental facilities should be afforded the public for the reporting of any cases of suspected or known profiteering. Such an arrangement would permit the proper investigation of all charges, would satisfy the individual citizen and do more to discourage profteering than all the preliminary red tape that could be produced even at Ottawa.

Other People's Views . . . :

A Place for Them

Brockville Recorder and Times

It is about time Canadian readers began to chuck into the ashcan those American magazines which adopt an anti-British attitude in their home editions and change it into a pro-British outlook in their Canadian editions.

The Rowell-Sirois Report

Le Jour, Montreal

The Rowell-Sirois report is imbued with a spirit of order and of economy which, in difficult times, should guide all Canadians. For years we have been accumulating expenses, waste, debts and taxes without thinking that we were ruining capital by preventing it from producing, and labor, by drying up the sources of employment, and all this was accomplished with a complete anarchy, with a deplorable lack of co-operation, with unheard of ignorance of economic and social realities.

Our legislators have only thought of small-time politics and of sacrosanct patronage. That is why we need a good, closed retreat, along the lines of the Rowell-Sirois Report.

Life Insurance

Calgary Herald

The value of life insurance has long been recognized by the great majority of Canadians. As a people they stand high in providing this form of protection for their dependents.

The companies which engage in writing life insurance policies in this country, have the fine record of meeting all their obligations as they arise. In other words, the element of risk does not intrude. Not only that, but these companies have always been ready to participate in national undertakings. In the present war, as the Minister of National Defense has just pointed out, they have subscribed many millions of dollars to national war loans.

Life insurance protects the home and family, and it is the duty of every citizen to make provision that on his death his dependents will not be in want. There is no better investment than a life insurance policy.

Leeches of War

Winnipeg Tribune

The department of munitions and supply has had to issue a warning that "certain contractors or prospective suppliers have been approached by persons who have attempted to persuade them . . . to employ . . . such persons as their agents or otherwise to represent them in their dealing with the department." These persons do not represent the department, the warning emphasizes. Anyone wishing to deal with the department need only write in direct.

Such "agents" are nothing new. The history of Canadian supply in the last war is full of them. Last winter the British ministry of supply had a scandal over them, one of the men accused being reported as a Canadian. And Canadian businessmen have been warned from various sources in the matter during the last year.

There is a simple cure. These "persons" should be arrested and severely punished by the courts. If the law does not cover the offense, public opinion would welcome the required amendment.

Week in Business

Wheat Sales, More Jobs Better Business Outlook

Strengthening Influences Seen in Sharp Upturn in Employment to Record Proportions in Canada and in Large Grain Deal

Important effects on business should result from announced sale by the Dominion Government of 100 million bushels of wheat to the British Government, at a price above the existing market level. The transaction will have a valuable effect in that it assures conversion of a substantial volume of grain into money and will also ease the new crop storage problem, which has been causing some concern. With a large carryover from last year indicated even after the British purchase and a good average crop probable, storage space in Canada seems likely to be occupied to capacity.

• • •

A more immediate problem absorbing the attention of Canadian businessmen this week is national registration. Firms employing 100 workers or more will be able to establish registration booths in their own office and register their employees there. According to the regulations, registration in such polls may be held any time between August 5 and 21.

This procedure will save much time to both employee and employer. In the case of large firms many man hours would have been lost had each employee had to go out to a district registration poll.

• • •

Employment statistics continue to reflect expansion due to war business.

The improvement recorded on July 1 by the Dominion Bureau of Statistics, compared with June 1, was considerably larger than a year ago. The index number rose to 124.7 at July from 120.9 on June 1. This was the same level as July 1, 1929, and the highest figure for July 1 in the 20 years for which data are available.

The expansion in manufacturing was greater than that in non-manufacturing industries. It brought the index to a new high of 130.3, about 8% above the previous July 1 maximum established in 1929.

• • •

Trade generally continues active at both wholesale and retail establishments.

Summer dullness prevails in some lines with footwear and sportswear moving well. Hardware is meeting a good demand as are builders supplies generally and paint and varnishes. Tourist trade is believed to be improving. No definite figures are available yet but with better weather it is believed there will be a larger number of visitors in the next few weeks. Over the week end the number of United States cars seen on the road was considerably larger than earlier in the season.

Business Indicators

Current business slightly less active. *D.B.S. index of business activity for week ended July 27 slightly below previous week and corresponding week last year.

Railway Carloadings for week ended July 27 up 20% above last year. Total for year to date up 17%.

Railway gross earnings for last 10 days of July, up about 40% and 33% for C.N.R. and C.P.R. respectively. Totals for year to date up 30% and 24% respectively.

Automobile Sales in Canada higher in June for both passenger cars and trucks. Totals for year rise 27% in each case.

Construction contracts awarded in July up almost 33%. Cumulative for seven months 46% higher.

Employment index for July 1 about 3% above June and 8% higher than year ago.

Sugar grindings for four weeks ended July 13, 16% above same period in 1939. Total for year up 55%.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus▪.

TREND OF BUSINESS—	July 27	July 20	July 13	July 6	July 29/39
Weekly index of business, D.B.S.	102.2	102.7	102.4	103.4	103.2
Commodity prices index no.	82.0	82.0	81.7	82.2	72.1
	June	May	Apr.	Mar.	Year Ago
The Financial Post business index	*141.7	136.2	133.5	129.5	118.8
Retail sales index no.	93.8	89.0	86.9	83.7	80.9
Dept. store sales index no.	80.2	82.3	84.6	76.6	72.1
Wholesale sales index no.	117.6	127.0	107.5	97.1	106.1
▪Country store (% change pr. yr.)	+8.3	+8.5	+6.8	+8.8	—7.7
EMPLOYMENT Index Nos., D.B.S.	July 1	June 1	May 1	Apr. 1	Year Ago
▪All industries	124.7	120.9	114.3	111.9	115.8
▪Manufacturing	130.3	129.2	125.7	123.4	111.3
▪Wage earners, no. 000s	....	....	2,489	2,353	2,329
Living costs weekly budget	....	$17.72	$17.85	$17.76	$16.92
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
▪Carloadings (week July 27)	54,655	45,588	1,520,858	1,299,791	+17.0
▪C.N.R. gross (week July 31) $	7,267,327	5,221,390	136,076,583	103,245,178	+39.2
▪C.P.R. gross (week July 31) $	5,353,000	4,077,000	90,689,000	73,464,000	+23.8
C.N.R. net revenue (June) $	5,561,206	•12,096	16,200,083	•505,417	.....
C.P.R. net revenue (June) $	2,923,054	1,063,318	12,636,006	5,351,343	+136.1
IRON AND STEEL—June—					
Pig iron production (tons)	88,656	52,805	549,627	296,521	+85.5
Steel ingots and castings prod. .... (tons)	166,213	107,902	958,246	580,141	+65.1
AUTOMOBILES—(Number)—					
Passenger Cars:					
▪Domestic sales* . (June)	12,618	8,620	69,622	54,509	+27.7
Factory output .. (June)	8,739	10,585	72,286	69,968	+3.3
Trucks and Buses:					
▪Domestic sales* . (June)	3,112	2,338	17,178	13,474	+27.5
Factory output .. (June)	9,191	3,930	38,626	23,787	+62.6
Exports .... (May)	4,276	5,496	19,594	28,717	—31.8
Financing:					
Used .... (June) $	4,859,310	4,259,442	21,453,373	18,230,228	+17.7
New .... (June) $	4,018,905	3,246,659	19,807,227	15,617,916	+26.8
CONSTRUCTION—					
▪Contracts awarded . (July) $	29,305,600	22,129,700	154,741,100	105,575,600	+46.6
Cement prod., bbls. (Apr.)	420,000	274,000	1,067,345	716,917	+48.9
AGRICULTURE—					
▪Flour prod., bbls. .. (June)	1,170,238	1,187,875	7,567,572	6,822,351	+10.9
Flour exp., bbls. ... (June)	509,308	401,189	3,752,006	2,223,298	+68.7
Wheat exp., bush... (June)	13,570,107	14,637,016	67,702,282	51,313,467	+31.9
Cattle sales▴ ...... (June)	72,661	66,012	449,560	455,161	—1.2
Hog sales▴ .... (June)	324,187	206,611	2,323,432	1,583,816	+46.7
SEA FISHERIES—‡					
Catch cwts. .... (June)	805,000	975,800	4,740,650	3,873,750	+22.3
Landed value ...... (June) $	1,744,400	2,240,000	6,290,600	6,053,850	+3.9
NEWSPRINT—					
Production, tons ... (June)	315,343	240,545	1,641,987	1,341,064	+22.4
Exports, tons ...... (June)	320,654	244,655	1,505,142	1,215,117	+23.8
MINING AND OILS—					
Coal prod., tons .. (May)	1,245,834	1,136,381	7,047,297	5,725,555	+23.1
Coal imports, tons.. (May)	2,372,411	793,212	4,313,023	2,494,295	+72.9
Gold prod., fine oz. (May)	442,521	432,359	2,120,765	2,055,662	+3.2
Crude oil prod., bbl. (Apr.)	634,900	559,400	2,347,459	1,836,066	+27.8
Crude oil imp., bbl. (May)	4,864,457	3,643,726	11,238,400	9,753,800	+15.2
ELECTRIC POWER OUTPUT—June—					
Total monthly, 1,000 kw.h.'s	2,578,883	2,245,537	14,968,503	13,744,252	+8.8
FOREIGN TRADE—♦					
Imports .... (June)	90,704,835	63,709,402	496,100,785	321,079,319	+54.5
Exports .... (June)	111,621,656	77,569,799	553,711,029	408,466,341	+35.8
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (June)	246,477	205,851	986,305	929,854	+6.0
▪Shoes, prod., pr. .. (June)	1,750,984	1,850,673	12,725,941	11,249,771	+13.1
Cotton imports, lb. .. (Apr.)	18,300,000	4,467,000	80,174,000	25,142,000	+219.2
Raw rubber imp. lb. (May)	6,699,666	6,733,998	38,312,225	25,199,737	+52.0
Cigarette cons. No.† (June)	571,268	657,890	3,696,588	3,293,212	+12.2
▪Sugar manufactured .. lb.§	99,553,443	85,837,830	483,403,070	387,788,743	+24.7
FINANCE—					
Bank debits† ...... (June) $	2,681,585	2,831,082	17,001,690	15,133,304	+12.3
Bond sales† .... (June) $	40,593	105,458	1,139,218	799,570	+42.5
Life insurance sales (June) $	28,530,000	32,226,000	18,368,000	178,385,000	+5.5

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to July 13, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
▴Total at yards and plants. •Deficit.
New items for week marked ▪

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HUDSON OFFERS FIRST 1940-41 MODELS

Introduction of new automobile models for the 1940-41 model year was initiated last week by Hudson Motors of Canada Ltd., at a Toronto preview for distributors and dealers. In addition to extensive re-styling and improvement of the Hudson Six and Super-Six models, the 1941 line includes a new group of both six and eight-cylinder models known as the Hudson Commodore series.

Notable feature of all groups of the 1941 offerings is what is termed "symphonic styling," which gives color harmony between body exteriors and interior design and finish. With choice of three basic shades—tan, grey and green—the blending of outer and inner color tones extends to upholstery, carpets, floor mats, dashboard and interior trim. Many of the models are available in the modern two-tone exterior color finish. All of the models are longer and more powerful and embody various engineering improvements. Body design has been changed to give an appearance of greater length and sleekness and more sharply defined lines.

B.C. Payrolls Climb High

War Business Speeds Major Lines of Production in Province

From Our Own Correspondent

VANCOUVER. — Industrial payrolls in British Columbia have returned to the boom-time levels of 1930 and have recovered more than 65% since the depression low of 1933, according to provincial labor department figures.

This is largely due to the impetus given nearly all phases of production. All forest industries are extremely active, with sawmills, shingle mills and pulp and paper plants working full time. The mining industry will probably record a record output this year, worth $6 millions more than in 1939. Manufacturing, which now includes shipbuilding after a lapse of 20 years, and will soon embrace shell-making and other munitions, is hitting a brisk stride.

The total provincial payroll, based in part on corporation returns and estimate of conditions in other occupations, was $165,683,460 last year, representing an increase of more than $7.6 million over 1938.

Biggest advance was made in lumber—$2.2 millions; pulp and paper, $600,000; public utilities, $466,000; coal mining, $348,178.

Average weekly wages increased in 19 of the 25 industrial classifications, and the average wage in all industries stepped up 10 cents.

Of the total payrolls, Greater Vancouver accounted for 34% and Vancouver Island 20%.

There were fewer industrial disputes last year than ever before. Only four industrial disputes were recognized in the year's statistics.

Montreal Port At New High

Customs and Excise Collections Reach All-time Peak in July

From Our Own Correspondent

MONTREAL. — Port of Montreal customs and excise collections in July set an all-time record for the port, amounting to $14.2 millions. For the corresponding month last year the figure was $8.4 millions.

The previous all-time peak was established May this year, totalling $13.2 millions. In June collections totalled $10.9 millions.

Collections by months since the beginning of 1938 are as follows:

Customs Excise Collections
(000's of dollars)

	1940	1939	1938
	$	$	$
Jan.	9,750	6,851	7,246
Feb.	8,449	6,347	6,863
Mar	9,350	7,174	7,627
Apr.	10,784	6,826	8,352
May	13,198	9,727	9,170
June	10,857	8,846	9,349
July	14,245	8,415	8,610
Aug.	......	8,755	9,124
Sept.	......	10,024	8,722
Oct.	......	11,122	9,421
Nov.	......	11,399	9,450
Dec.	......	9,256	7,636
Totals	......	104,741	101,569

B. C. Salmon Pack Prospects Good

From Our Own Correspondent

VANCOUVER. — Despite a slow start in fishing operations owing to dispute between packers and fishermen over prices, the salmon pack in British Columbia promises to be better than average.

At July 27, a total of 306,061 cases of all varieties of salmon had been packed, compared with 256,539 at the corresponding date a year ago. The gain is chiefly due to an advance in sockeye catches. More than 217,000 cases of sockeye have been packed so far, compared with 152,816 cases a year ago, 207,481 in 1938; 128,596 in 1937.

With the prospect of a record pack of the choice and higher priced sockeye, the packing industry may stand a better chance than otherwise to develop domestic sales this year—an undertaking which has become more than ever necessary because of the likelihood that the big market in the United Kingdom may have to curtail orders owing to war conditions.

Keeping Posted . . .

By J. C. KIRKWOOD

Perhaps you have decided apple-growing is a pleasant vocation or avocation. Before you leap into it read the article by G. E. Valentine in Maclean's Magazine of August 1. Its title is "Desert in Bloom." It is a factual story of the huge and prosperous apple industry in the Okanagan Valley of British Columbia. It tells minutely all about the evolution of Okanagan Valley from a hot, barren semi-desert into a kind of Garden of Eden; how apple-growing has given employment to many thousands of both men and women, and an annual cash income from 10 acres greater than most farmers get from 100 acres. It tells about the risks and anxieties too.

Maclean's, more than any other Canadian magazine, tells us how other people make a living. It mirrors Canada at work.

• • •

Buy Canadian

Inaugurate a campaign to "Buy Canadian" — "Buy British" — "Buy Empire"—and thus "help the war effort." So urges Mrs. George Cockshutt in Chatelaine for August in a symposium titled "Your War Work."

Dr. Dorothy Turville warns women against disruption of family life. "The calm, systematic homemaker," she says, "will take time to do a moderate amount of war work, while planning the normal routine of family life, with its social and recreational activities."

• • •

Smiling Silence

A pen portrait of the newly appointed United States Minister to Canada, Jay Pierrepont Moffat, is in the August 1 issue of Maclean's Magazine. Of him Bruce Hutchison says: "Mr. Moffat's reputation for a smiling but deathly silence was so well established with the President that he was chosen from among all other possible assistants to go with Mr. Welles on that mysterious last-minute tour of the European countries."

This suggests the quality of Mr. Moffat.

• • •

A New Market

Life is an experience out of which was extract pluses to compensate for minuses. Illustrating this is the article in the July 20 issue of Hardware and Metal: "With import restrictions in Australia, New Zealand and other Empire countries seriously retarding Canadian exports to those markets, it is gratifying to find our trade with British South Africa gradually expanding and offering increasing opportunities to Canadian exporters."

This timely article points out that in 1932 total value of Canadian exports to South Africa was slightly below $4.5 millions; that in 1939 this had risen to $18 millions. Canadian exporters, the article says, now have an excellent opportunity of capturing part of the market previously held by Germany and by the Scandinavian countries. It is doubtful, says the writer, if any other overseas market absorbs a greater variety of Canadian goods than the Union of South Africa.

• • •

How to Sell Groceries

Elmer L. Campbell, an ex-grocer, found himself out of a job—as proprietor; so he became manager of a friend's food store. He became observant and philosophical, and learned a number of things. What he learned about the customers of the store managed by him is told in Canadian Grocer for July 15. All of us who are customers of grocery stores may be interested in what a man behind the counter has to say about us and our kind, about his ability to get us to take what he wants to sell us.

• • •

The Switcher

Mr. Campbell was able to switch customers from one brand of syrup to another, and not only syrup, also mince meat, tea, gelatine, and other items. Quite unblushingly he says that he became a deliberate "switcher" because he made a larger profit on the brand pushed by him. He says there is no such thing as "consumer demand" where price is involved, meaning that he believes consumers are more responsive to price appeal than to brand appeal; that the local dealer's reputation and recommendation are very important; that testimonials from local people outweigh those of society leaders, famous ball players and movie stars; that consumers are interested in quality, price and brand name in that order. That's his finding.

Despite Mr. Campbell's claims the fact remains that most persons prefer nationally-advertised and "pedigree" goods; that nationally-advertised goods outsell private-brand goods and unadvertised brands; that most retailers do not try to "switch" brands, but give their customers the brands they ask for; that price alone is not an irresistible lure; that satisfaction is more important than mere price. I submit the view for acceptance that retailers whose practice it is to try to "switch" customers from nationally-advertised products to unknown products on which a larger profit can be made are not true servants of their customers. Beware the dealer who is a persistent "switcher."

ImportedFoods Cost Boosted By 10% Tax

Exchange Impost Adds Total of $2 Millions to 20 Imported Items

Twenty food items imported into Canada will cost the grocery trade some $2.2 millions more in the current 12 months period than in the calendar year 1939, because of the new 10% war exchange tax, says Canadian Grocer in its current issue.

This figure is based on the supposition that we will buy from non-British countries the same value of these foods as we did in 1939.

Biggest item affected is fresh fruits from the United States. In 1939 total imports from that country were $9.9 millions so that the war exchange tax of 10% means an additional cost of almost $1 million.

Fresh vegetables form the second most important item. Non-British fresh vegetables coming into Canada last year cost more than $4.6 millions, which means a tax of $464,000. The 10% tax on fresh tomatoes alone would be around some $120,000.

In 1939 we bought from non-British countries more than $1.4 million worth of nuts now involving tax of $145,877.

Most coffee came from British countries but last year we bought $1.2 million worth from non-British countries such as Brazil, Colombia, Guatemala, Salvador, Hawaii, Venezuela, etc., so the tax would be $127,430.

The tax on dried fruits from non-British countries will be more than $93,000, if we buy as much as last year.

On last year's imports of canned grape fruit juices, $291,386, the tax would be $29,138.

Canada imported last year from South America $672,514 worth of canned beef. That would mean a tax of over $67,000.

Same quantity of olives would cost over $22,000 more, and canned fish $76,000.

There were many imported foods that came in last year from European countries entirely out of the picture. Norwegian sardines, Dutch cocoa, French walnuts and sardines, Italian nuts, olive oil and canned foods, cheese from Holland, Norway and Belgium.

SALES OFFICIAL PROMOTED

Promotion of E. J. Umphrey to be assistant director of sales, General Motors Products of Canada Ltd., has been announced. Mr. Umphrey previously was general sales manager of the Chevrolet Oldsmobile division and over the past 20 years has held various key positions in the sales organization across Canada.

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Rail Revenues Up In 10-day Period

From Our Own Correspondent

MONTREAL. — Both Canadian Pacific Railway and Canadian National Railways report a sharp increase in revenue for the 10 days ended July 31.

Gross traffic receipts of C.P.R. increased $1.3 million or 31.3% over the corresponding period of last year, rising to $5.4 millions.

Cumulative gross traffic earnings in the year to July 31 amounted to $90.7 millions, an increase of $17.2 millions, or 23.4% over the same period in 1939.

C.N.R. reported an increase of $2 millions, or 39.2% in the 10-day period over the same time last year. Gross in this year's 10-day period amounted to $7.3 millions.

Cumulative gross earnings in the year to July 31 amounted to $136.1 millions, an increase of $32.8 millions, or 31% over the same period last year.

This Canada of Yours..

In your hands lies the future of this great Dominion—this nation of free and peace-loving people. Stand steadfast, with unconquerable spirit, in the defence of your country. Give loyal and unselfish service. Be confident that right will triumph over might. Be confident in Canada. Be confident in life insurance, which unites millions of Canadians for their common security. Remember in the past 100 years life insurance has been tested by wars, panics and epidemics—and it has weathered every storm. Remember that every working day, policy-holders and beneficiaries are receiving $500,000 from this great co-operative enterprise. Remember that millions of life insurance dollars, invested in war loans, are helping to provide the men and materials which are so urgently needed for the defence of this Canada of yours.

It is good citizenship to own Life Insurance

THIS MESSAGE IS SPONSORED BY LIFE INSURANCE COMPANIES OPERATING IN CANADA

Fire and Casualty Insurance

Changes May Be Sought In Car Insurance Law

Clearer Definition Likely to be Asked by Superintendents Conference of Grounds on Which Insurers May Resist Irregular Claims

Clearer definition of the extent to which breaches of the law by an insured may be used by an insurance company in resisting claims resulting from automobile accidents, will probably be sought at the coming conference of insurance superintendents.

Under the law as it now stands, companies, if they desire, in many cases may refuse to pay claims because the policyholder has committed some breach of the Highway Traffic Act or the Criminal Code. The argument is that it would be contrary to public policy to indemnify any person against the result of his own criminal act or misdemeanor. Breaches of the statutory conditions in the ordinary policy might also be used as a reason for not paying claims.

Statutory Conditions

Statutory conditions in the standard automobile policy which might be used this way are, for instance:

1. The insured named in the policy shall promptly notify the insurer of any change in the risk material to the contract and within his knowledge. Change in the risk material to the contract, it is noted, might mean any change in the insurable interest of the individual caused by a lien, mortgage, other insurance, etc.

2. The insured shall not use or drive the automobile:

While under the influence of liquor.

While not for the time being qualified or authorized by law to operate the vehicle.

For any illicit or prohibited trade or transport.

In any race or speed test.

The statutory conditions also prohibit the insured permitting any other person to operate his car when drunk, without a permit to drive, or for any illegal purpose or in a speed test.

Sample Case

An instance in which breach of the statutory conditions might be used by a company as a reason for not paying would be where a person without a license drives his car and meets with an accident. He might have forgotten or neglected to renew his license at the beginning of the year. But, strictly speaking, no matter how well qualified, he would not be authorized to drive at the time the accident happened and the insurance company might refuse to pay.

In such a case, a careful, well-qualified driver who had merely been negligent in renewing his license would be on the same plane as the man who had had his license cancelled or suspended.

Should Revise Law

A committee of underwriters studying the situation recently reached the conclusion that the law should be revised to differentiate between the two classes of unauthorized drivers.

Or a case might arise where a car owner lends his car to some person believing him to be authorized to drive when he was not. In such cases the insurance companies as a rule, it is understood, pay the claim to the injured party and then try to collect from the driver at fault.

In the case of a person driving when drunk difficulty is often found in proving the offending driver to have been drunk. But where drunkenness is proved both the statutory provisions in the policy and certain laws such as the Highway Traffic Act have a bearing.

Where there is a serious and wilful breach of the law no question is raised as to the right of the company to refuse to pay the claim.

Minor Breaches

But there are other instances where minor breaches might occur. Examples have been quoted of a driver going slightly above the speed limit of 50 miles an hour. At 52 or 53 miles an hour, the extra hazard compared with 50 miles an hour is not considered material. Yet the driver is breaking the law and public policy might be interpreted as demanding he should not be indemnified against the result of his own misdemeanor.

Breaches of the law or the statutory conditions of a policy are often used as grounds for a company recovering from an insured money it may have paid out to satisfy a claim.

A case which attracted considerable attention recently was that of a man who, driving while drunk, met with an accident, injuring another party. The latter made a claim for damages. The insurance company, having satisfied itself that the driver was drunk, refused to defend the action as the conditions of the policy normally require it to do. The driver fought the case at his own expense. But the court awarded damages and costs to the injured party. The insurance company paid the amount awarded to the injured party but still refused to pay the legal costs of the driver.

He then sued the company for his costs. The company turned around and sued him for the return of the money it had paid to the injured party.

It submitted three points in its argument:

1, The plaintiff was drunk and therefore incapable of operating his car—a breach of statutory condition 2, and also of the Ontario Highway Act.

2, The owner did not give the insurance company written notice with all details of the accident, a breach of statutory condition 4.

3, The conduct and actions of the driver were a breach of the criminal code and of the Ontario Highway Traffic Act.

It was therefore argued that to indemnify him would be contrary to public policy. The court found for the insurance company. The driver appealed the judgment but the Court of Appeal supported the first judgment.

Main reason for the judgment was that the evidence showed the driver to have been drunk when the accident occurred. He had also pleaded guilty to a charge of reckless driving in connection with the same accident. He had therefore transgressed both the Highway Traffic Act and the statutory conditions of the policy, the court ruled, and therefore to indemnify him would be contrary to public policy.

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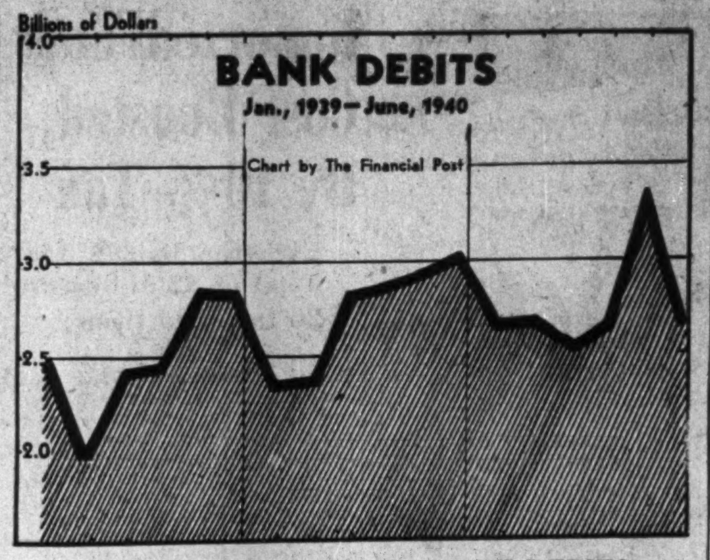


SECURITY DEALINGS AFFECT BANK DEBITS

The amount of money in the form of bank deposits transferred from one account to another in the same bank or between banks is usually regarded as an index of business conditions. Sometimes, owing to special circumstances, the trend is not representative of the general situation. In June, for instance, when business generally was well ahead of last year, these transfers of bank debits were lower. The decrease is attributed to lighter dealings on the stock exchanges at Montreal and Toronto, which more than offset the increases caused by more active general trade and industry.

Banking

Bank Ownership Held Hurtful to Crown

Department of Justice Expert Says Alberta Bank Bill Would Deprive Province of Constitutional Rights — Banking Under Dominion

While the Dominion Parliament has complete jurisdiction over banking it cannot impose legislative powers or duties in regard to banking on any of the provinces, F. P. Varcoe of the Dominion Department of Justice told the Banking and Commerce Committee of the House of Commons.

Mr. Varcoe was called before the committee to give expert evidence on behalf of the Department of Justice regarding the constitutional validity of the Alberta Bank Act, and on his opinion that the bill would be ultra vires of the Dominion Parliament. The committee recommended the bill should not be enacted.

Mr. Varcoe based his opinion on the following arguments:

The bill gave certain legislative powers on banking to the province contrary to the British North America Act.

It also imposed on the Lieutenant-Governor-in-Council certain duties and liabilities which were inconsistent with his position as representative of the crown in the provincial field.

Three Sections

To make his argument clearer, Mr. Varcoe mentioned specially sections 2, 3 and 5 of the act which in his opinion had constitutional significance. These among other things provided that:

The members of the Alberta cabinet should be the directors of the bank.

The Lieutenant-Governor-in-Council of the province should have the power to appoint the president and vice-president of the bank and fix the quorum for the directors meetings and under the Bank Act fix the amount of discounts or loans which might be made to the Alberta Government or any one firm, person or corporation.

The capital stock should be issued to and vested in the provincial treasurer in his official capacity and held by him for the use of the province.

Mr. Varcoe pointed out that if the bill were passed the province would be drawn out of its normal and constitutional sphere into the Dominion sphere of banking.

Might Be Sued

At the same time, the crown in the right of the province, being the owner of the shares of the bank would become subject to the liabilities of ordinary shareholders under the Bank Act. This would mean that:

It might be called on for money due on shares subscribed but not paid up.

It might be sued, notwithstanding it is one of the constitutional rights of the crown that it cannot be sued without its consent.

It would be subject to additional liability in event of the bank becoming insolvent.

Above Dominion's Powers

Thus, Mr. Varcoe indicated, if the bank were established under the terms of the act it would mean that the Dominion was legislating the province into the banking business which it had no right to do and at the same time it would deprive the provincial crown of certain of its inherent rights.

The section to which he attached most importance was No. 5 vesting ownership of the shares in the provincial treasurer in his official capacity, as this would have the effect of putting the province into the banking field and placing on the provincial crown as indicated the liabilities imposed on shareholders by the Bank Act.

Current Loans in Canada Show Decline in June

Current loans in Canada in June at $935.8 millions were slightly lower than in the previous month, but still well above last year. Call loans in Canada were down in both comparisons.

Savings deposits in Canada also were lower than in May and a year ago.

Note circulation was $3 millions above the previous month and only slightly below 1939 figures, indicating a greater demand for cash.

Report of Chartered Banks to Minister of Finance
(Preliminary Figures)

	June 29, 1940	May 31, 1940	June 30, 1939
Liabilities	$	$	$
Reserve fund	133,750,000	133,750,000	133,750,000
Note circulation	97,286,050	94,299,428	97,346,073
Demand deposits	821,224,527	816,947,769	702,232,175
Notice deposits	1,608,863,422	1,643,084,405	1,680,377,190
Deposits outside Canada	437,375,757	442,375,558	503,737,167
Bank of Canada notes	58,606,414	56,241,501	45,097,789
Total	3,648,926,922	3,728,959,586	3,561,028,325
Assets			
Deposits with Bank of Canada	208,526,944	238,306,155	204,082,549
Government and other securities	1,583,024,657	1,616,756,777	1,525,295,773
Call loans in Canada	39,028,457	44,393,051	52,454,170
Call loans elsewhere	40,507,306	39,816,232	41,913,431
Current loans in Canada	935,847,848	937,950,070	821,609,936
Current loans elsewhere	141,300,494	142,718,331	144,038,405
Total	3,665,981,750	3,745,753,150	3,574,555,643

Bank Chat

The Canadian Bank of Commerce in recent advertising is featuring the purposes for which loans by its special personal loan department during the last four years have been used.

Some 230,000 individual personal loans aggregating $36 millions have been made by the bank during the period. These loans have been granted to all classes of employed people to meet pressing debts, improve health and efficiency, maintain homes in good condition and for many other similar purposes.

Of the total of $36 millions lent, $12.5 millions has been used for miscellaneous purposes including clothing, coal, store bills, etc.; $4.3 millions for medical, dental and hospital bills; $3.6 millions for household expenses, furnishings, etc.; $3.1 millions for taxes, insurance premiums and mortgages; $1.9 millions for education and travel and $10.6 millions for consolidation of debts.

Insurance Problem

Halifax Fire

Please give me some information regarding the Halifax Insurance Co., as to its assets, length of time in business, etc.

The Halifax Insurance Co. is the oldest Canadian fire insurance company, having been established in 1909. It is licensed by the Dominion Department of Insurance and accordingly is subject to its regulation and inspection. At the end of 1939 the company reported total assets at $6.1 millions. Total premium income in 1939 was $883,165 compared with $526,501 the previous year. Net surplus at the end of 1939 was shown at $1.9 million and including capital stock, policyholders' surplus was $3.9 millions.

Life Insurance

Average 1940 Policy Slightly Larger

Survey for American Life Convention Shows $2,144 Against $2,120 a Year Ago — Effect of War Noticeable in Some Occupations

Average life insurance policy applied for by 10,000 persons in Canada and the United States in June at $2,144 was slightly above that of a year ago at $2,120. The figures are computed by the American Service Bureau from reports from the 105 companies in both countries that are members of the American Life Convention. Particular applications included in the survey were received in June.

The survey shows increases in average dollar value of the policies taken out by persons in certain industries which have been stimulated by the war such as carpenters, woodworkers and workers in machinery and metal-working plants.

More Holders of Insurance

Excluding 1,078 children under 18 years of age, 53% of the applicants indicated they were new buyers of insurance. A year ago, after excluding 992 children, new buyers numbered 5,230 or 58% of the adult applicants. The remaining adult applicants, 4,173 in 1940 and 3,778 a year ago already had life insurance and evidently wished to increase their holdings.

The number of applications for $5,000 or more insurance this June was 1,036 against 1,046 in 1939. These applications were spread over individuals in 19 different occupations, compared with 15 occupations last summer.

Oil production and refining, executives and owners were the leading applicants for policies of this size, both this year and in 1939. This year there were 17 applications from this group for an average of $15,118 compared with 34 for an average of $9,147 in June, 1939. These applicants this year indicated they already had an average of $34,792 insurance while those of a year ago had an average of $17,350.

Fewer Doctors Apply

Medical doctors who a year ago ranked second in average size of policy sought, with 79 applications for an average of $8,164, dropped to sixth place this year with 99 applications for an average of $6,732. But they showed a higher average amount of insurance held this year at $15,981 compared with $12,885.

While fewer social workers wanted to buy insurance this year, the number of applications falling to 98 from 128, the average policy wanted was higher at $1,755 compared with $1,382. The same situation was shown among housewives both rural and urban. Applications fell to 548 from 707 but the value of the average policy rose to $2,648 from $2,592.

More farmers and ranchers and their hands were in the market for insurance in 1940 but the average policy was smaller at $1,583 compared with $1,776.

The following table shows results among a number of the more common occupations:

	No. of Apps. June		Average Sought		New Buyers	
	1940	1939	1940	1939	1940	1939
Agriculture	1,275	1,183	$1,583	$1,776	986	891
Auto. sales, service	550	577	2,141	2,474	258	325
Banking	70	84	3,457	3,196	10	30
Brokers	44	52	8,886	9,088	12	18
Insurance	197	235	3,835	3,661	49	64
Barbers and beauty parlors	75	84	1,407	1,500	46	57
Laundries, etc.	73	85	2,027	2,041	33	52
Restaurants	195	180	1,703	1,809	110	102
Civic and govt. employees	112	115	2,004	2,308	59	59
Firemen and police	59	67	2,059	1,656	24	32
Defense forces	261	173	1,789	1,780	162	140
Social workers	98	128	1,755	1,382	74	94
Carpenters	86	92	1,523	1,505	58	72
Wood products	87	135	2,965	2,733	46	76
Machinery and metals	419	424	2,297	2,294	161	162
Printing employees	122	115	1,799	1,760	48	53
Oil production and refin.	135	193	3,581	2,997	54	89
Mining, etc.	80	71	1,550	1,669	49	56
Children under 7	536	431	1,110	1,093	...	...
Housewives	548	707	2,648	2,592	405	547
Accountants	40	46	3,238	2,163	18	18
Advertising, etc.	57	90	5,763	2,761	17	40
Clergy	20	26	2,525	2,826	12	11
Nurses	90	96	1,489	1,625	47	75
Doctors	99	79	6,732	8,164	20	22
Teachers	243	267	2,212	2,039	118	169
Automotive transport	179	174	1,774	2,011	95	107
Railway transport	128	124	1,898	2,024	40	51
Wholesale and retail trade	1,692	1,599	2,419	2,236	797	813

Bank of Canada's Investments Up

Credit Base Broadens as Reserves Rise — Dominion Deposits Higher

Investments of the Bank of Canada in Government securities are shown in the report of the bank for July 31 at $515.8 millions, up $12 millions from the previous week. The gain was in short-term issues.

At the time the Foreign Exchange Control Board took over the gold reserves of the Bank of Canada these reserves were replaced with Dominion Government bonds. The increase in Government bond holdings accordingly gives a broader credit base.

On the liability side the increase in reserves was offset by expansion in Dominion Government deposits, deposits other than those of the Dominion or the chartered banks, and note circulation.

The increase in note circulation was $4 millions, to $291.6 millions.

Balance Sheet

	July 31 1940	July 24 1940
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	291,676,133	287,580,989
Rest fund	2,449,757	2,449,757
Depos.: Dominion	24,139,742	18,649,673
Bank	194,423,289	195,064,149
Other	8,222,140	5,229,945
Total deposits	226,785,171	218,943,767
All other liabs.	4,939,368	4,171,916
Total liabs.	530,850,429	518,146,429
Assets		
Reserve:		
In sterl. & U. S.	5,699,850	4,456,429
Subsidiary coin	197,169	191,771
Advances	2,500,000	3,500,000
Investments:		
Dom. Govt. short	392,234,678	379,930,271
Other Dom. Gov.	123,597,636	123,950,509
Total invest.	515,832,314	503,880,780
Premises	1,723,566	1,721,637
All other assets	4,897,530	4,395,812
	530,850,429	518,146,429

Obituaries

Fred S. Bailey, sales manager, McFarlane Gendron Co., Toronto, aged 52, at Toronto.

Ross Mackinnon, vice-president and general manager, Fleury-Bissell Co., Elora, Ont., aged 56, at Elora.

Hon. Frank Carrel, formerly president of the Chronicle-Telegraph Publishing Co., Quebec, at Quebec.

W. J. Robson, advertising manager, Canadian Countryman Publishing Co., aged 70, at Toronto.

Life Insurance At Work

In a New Brunswick village a young man and his wife with very moderate resources each took out $1,000 life insurance payable to the other. They had three small children.

About four years later the wife died suddenly, leaving her husband with the three children still too young to look after themselves. His income allowed him little surplus. But the proceeds of his wife's insurance policy enabled him to pay all expenses and still have a substantial amount to pay for help to look after his family while he was away at work, until he was able to make permanent arrangements.

Life Underwriters Get Final Degrees

Forty-one life insurance underwriters who successfully passed third and final examinations of the Life Underwriters' Association of Canada in May are now entitled to the degree of C.L.U. (Chartered Life Underwriter). The degree is granted to men and women who have completed the three-year course conducted by the Institute of Chartered Life Underwriters through the Department of University Extension, University of Toronto and met other requirements.

The course includes fundamentals and practice of life insurance, life underwriting and salesmanship, life insurance law, psychology, business finance, business insurance and business English.

In addition to the 41 awarded the degree, six others have completed the examinations but have not qualified yet in other respects.

Fifty-one have passed the second year examinations in whole or in part and 98 the examinations of the first year.

Foreign Exchange

During the week July 30 to Aug. 5 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Aug. 5

Australia	3.58	N. Zealand	3.61
India	.3368	S. Africa	4.47
Japan	.2605	Hong Kong	2.572

RETIRES FROM FIRM

From Our Own Correspondent

MONTREAL.—Frank C. C. Mead has retired from the Montreal investment firm of Mead & Co. The company continues under the same name with the following directors: Gordon C. Wilkins, W. E. MacFarlane, P. F. Osler, and D. E. Watts.

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

HAMILTON, ONT.

Hamilton is the twelfth in a series of municipalities included in The Financial Post Municipal Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Hamilton, fifth largest city in Canada, has improved its financial position substantially in the past decade.

Determined action by the civic administration has been responsible for placing the municipality's finance on a sounder basis.

Current tax collections have improved in every year since 1935. Net debenture debt has dropped to $147.72 per capita at the end of 1939 from $182.12 in 1935.

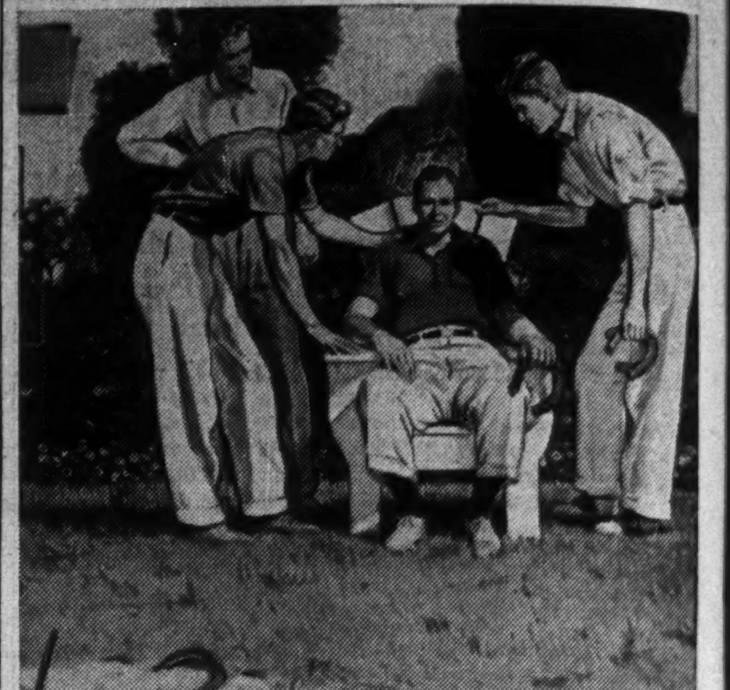
It has been found necessary to fund relief expenditures to a certain extent, although the greatest proportion of the expense is met out of current revenue. Being the centre of a highly industrialized area, Hamilton has had a large relief problem.

Hamilton has succeeded in doing some low-cost financing through the issue of treasury bills. A $300,000 issue, maturing in about 9 months, was sold to Harrison & Co. in 1940 at a cost basis of 1.75%. The issue was dated July 26 and matures April 15, 1941.

First treasury bill financing was done in 1939. A 1-year issue totalling $500,000 was sold to Lampard, Marston & Co. in July at a cost basis of 1.75%. A 6-months issue totalling $200,000 was sold to Wood, Gundy & Co. in November on a similar cost basis.

Statistical Picture

	1939	1938	1937	1936	1935
Population	154,915	155,276	154,052	153,608	154,020
Assessment (in $000's)	164,800	164,864	164,127	168,247	168,215
Assess. per capita $	1,064	1,061	1,065	1,095	1,092
Mill rate	38½	38¾	39	39¼	39½
Tax collections:					
Current collections to curr. levy %	88.79	86.97	86.18	83.08	79.82
Current & arrears to curr. levy %	103.96	105.22	106.79	105.04	102.68
Gross deb. debt (in $000's)	23,418	25,398	28,141	28,315	29,646
Less: Sinking fund	535	503	559	615	596
Net debenture debt	22,883	24,895	27,582	27,700	28,050
Net deb. debt per capita $	147.72	160.33	179.05	180.33	182.12
Other liabilities (in $000's)	1,193	1,144	488	2,426	3,770
Relief exp. funded $	336,500	351,014	245,232	482,673	714,341
Relief met out of curr. rev. (in $000's) (incl. debt charges on funded relief)	1,131	1,665	1,160	1,021	895



A Lot of "*Heart Trouble*" Isn't!

TOO MANY PEOPLE have fear in their hearts—about their hearts.

They have been told that "heart trouble" usually announces itself by such warning symptoms as shortness of breath, sense of oppression or actual pain near heart, or fainting.

However, no one symptom should make you decide, "I have heart trouble!" The cause may actually be disease of the lungs or digestive system, or nervous strain—or it may be something relatively unimportant. But, whenever any signs occur—*your physician should be the one to decide what's really wrong!*

▶ Such aids to accurate diagnosis as the stethoscope, the fluoroscope, the electrocardiograph, enable him in most cases to determine the heart's condition. He may be able to assure you that your heart is sound, that something minor needs correction.

Even if the trouble *is* in your heart it need not necessarily mean that you will be an invalid—if it is detected in its early stages. You may be able, by following the doctor's instructions, to continue working and enjoying life for many years.

▶ Today, many men and women whose hearts are not normal lead useful, active lives. They and their doctors know what their hearts can and cannot do; their habits of work, exercise, recreation, rest, eating, and drinking, are sensibly regulated.

The most common forms of heart trouble strike most frequently after the age of 40. As you and your heart approach this period, it is wise to modify your work and play so as to avoid overexertion. Too much of either is dangerous. Get plenty of rest and keep your weight down. Remember, too, that sudden indulgence in unusual or over-long exercise is apt to place too severe a strain on the heart.

▶ And at this time—more than ever—it is important to have thorough annual health examinations. Such examinations often can detect trouble before serious symptoms appear.

For valuable information concerning the hearts of young and old, send for the Metropolitan's free booklet, "Protecting Your Heart."

Metropolitan Life Insurance Company,
Dept 8-F-40, Canadian Head Office, Ottawa.
Please send me a copy of your booklet, "Protecting Your Heart."
Name
Street
City Province

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK

FREDERICK H. ECKER
Chairman of the Board
LEROY A. LINCOLN
President
CANADIAN HEAD OFFICE—OTTAWA

Weekly Bank Clearings

	Aug. 1 1940	Change year ago	July 25 1940
	$	%	$
Halifax	2,795,420	+15.0	2,829,604
Saint John	1,689,224	—5.6	1,959,362
Moncton	696,333	—11.8	946,789
Sherbooke	867,104	+20.3	773,135
Quebec	4,723,464	—3.1	4,613,640
Montreal	88,849,685	—19.2	86,182,213
Ottawa	24,955,912	+57.0	21,568,350
Kingston	597,013	+0.9	628,006
Peterborough	615,756	+1.6	549,075
Toronto	79,377,765	—28.5	88,093,764
Hamilton	5,181,149	+2.9	5,882,360
Kitchener	1,083,127	—5.7	991,832
Brantford	742,885	—14.9	879,549
London	1,969,057	—19.4	2,207,712
Chatham	450,484	—4.3	486,657
Windsor	2,375,524	—9.4	2,373,973
Sarnia	359,837	—8.9	406,715
Sudbury	1,135,205	+14.2	1,013,286
Fort William	773,485	—3.2	835,239
Winnipeg	30,165,955	—26.5	34,703,363
Brandon	337,995	—11.2	305,855
Regina	3,223,225	—1.9	4,066,271
Moose Jaw	446,573	—17.8	480,826
Saskatoon	1,420,258	+1.6	1,224,282
Edmonton	3,658,998	+2.3	3,773,986
Calgary	4,733,720	+10.3	4,313,628
Lethbridge	381,775	—13.1	409,941
Medicine Hat	228,700	+1.8	200,960
N. W'minster	691,036	—1.4	723,508
Vancouver	17,522,453	—10.2	17,643,245
Victoria	1,667,036	—10.0	1,784,862
Prince Albert	330,551	—0.6	316,085

Monthly Bank Clearings

	July 1940	July 1939
	$	$
Halifax	13,718,258	10,852,729
Saint John	9,297,037	7,890,940
Moncton	4,108,588	3,663,846
Sherbrooke	3,837,535	3,489,518
Quebec	20,895,148	14,736,501
Montreal	412,785,119	447,719,149
Ottawa	122,172,536	70,081,866
Kingston	3,071,210	2,475,936
Peterborough	2,816,884	2,524,756
Toronto	411,970,126	429,457,528
Hamilton	25,824,193	23,587,048
Kitchener	4,841,174	4,433,985
Brantford	4,146,763	3,794,672
London	11,096,052	10,129,669
Chatham	2,581,583	2,173,577
Sarnia	1,964,177	4,915,130
Sudbury	4,660,332	4,422,654
Windsor	11,401,854	11,412,670
Fort William	3,951,880	2,739,287
Winnipeg	194,879,521	149,509,015
Brandon	1,634,157	1,423,257
Moose Jaw	2,308,588	2,597,031
Saskatoon	5,871,683	4,915,130
Edmonton	17,467,712	16,785,835
Lethbridge	1,908,711	2,066,102
Medicine Hat	964,597	1,013,711
New Westminster	3,169,237	2,791,372
Vancouver	71,771,582	74,030,806
Victoria	7,974,012	7,887,627
Calgary	21,207,404	18,462,439

Staff Changes

The Imperial Bank of Canada announces the following staff changes:

J. B. BLACK, manager Wetaskiwin, Alta., granted leave of absence to join the defense forces.

J. MacGREGOR, manager Ferintosh, Alta., to be manager Wetaskiwin, Alta.

L. B. GRABAN, accountant main branch, Edmonton, Alta., to be manager Ferintosh, Alta.

W. S. ROGERS, accountant's department, Edmonton, to be teller-accountant West End, Edmonton.

J. M. MORRIS, teller-accountant, West End, Edmonton, to be accountant, Edmonton South.

W. H. FAULDER, accountant, Edmonton South, to be assistant accountant, Edmonton.

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS
MUTUAL INSURANCE COMPANY

Banking Service
1817-1940
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £130 millions.
Over 900 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

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Canada Now Forging Spearhead of Victory

By RONALD A. McEACHERN
Staff Writer, The Financial Post

Canada is to be the spearhead of victory.

Now building in the Dominion is the juggernaut that will eventually deal the main effective death blow to Hitler's war machine.

That key force is the British Commonwealth Air Training Plan. Wars are not won by defensive tactics alone. To rid the world of tyranny, the democracies must get ready to take the offensive.

And that means overwhelming superiority in the air. With greater numbers and excellence of men and machines Britain and her allies must literally blast the enemy and liberate the world.

The open spaces of Canada, and the winged genius of her young men, clearly cast Canada in the aviation role. And air might is the crux of victory.

Now brewing is a plan, expected to materialize very shortly, under which Britain will make much more extensive use of Canada's air training facilities than hitherto plotted at any stage of the project.

But the Air Training Plan is also vital to the great vision of the new Canada that will emerge with peace. This foresees a nation superbly equipped with airports and all the paraphernalia of movement by air. It will have thousands of its young men trained in the operation and maintenance of aircraft, and backed by a sturdy, versatile Canadian aircraft industry.

A bold gamble by men of vision and courage makes the Air Training Plan what it is today.

Canadians remember the excited headlines during the months of sitzkrieg, proclaiming the great going-to-be's of the air plan.

Britain Halts Aid

Then came May's dark days of Flanders. Britain called on Canada to send her forthwith every piece of fighting equipment that could be spared. Airplanes were flown across the ocean or hurriedly stowed in ships for the dash to the battlefield. A shipload of aircraft on its way to Canada was turned back in mid-Atlantic and the machines rushed into the skies over Dunkerque.

Canada's destroyers for the first time joined the British fleet in European waters. Ammunition, guns — virtually everything in fighting machinery she had — Canada poured out for Britain's desperate need.

Britain cabled Canada: Because of the dire need, it would be impossible for two months to continue shipping to Canada airplanes, air engines and parts; to keep her part of the Air Training Plan bargain.

It looked like the end of the Empire Air Scheme. The British embargo was announced for two months only. But only the super-optimists expected that the embargo would then be lifted; that the A. T. P. could be salvaged.

Drastic Changes Made

What are the changes in the Air Training Plan as now going forward from the original conception?

1. Speed of development is the most striking change. As originally planned, the plan was to be a slowly moving snowball. Small beginnings; ambling growth; a weapon of power and magnitude by the end fo 1942.

The Canadians speeded the original schedule, so pleasantly paced, when the Flanders crisis swept most of Britain's military designs into the wastebasket.

The speed-up order was: Get going, day and night, hell and high-water. Get the air training schools built.

This week another speed-up has been ordered; speeding up the organization of air schools; paring down the time of training for pilots and air gunners as shown in the accompanying chart.

Ahead of Schedule

The result is that schools are now built and in operation that were not originally scheduled to be ready until late in 1941. Dotted all across Canada, farm land is being gouged and scraped into air fields. Barracks and hangars, workshops and offices are rising in the potato patches of a few weeks ago.

Last week Parliament heard these facts:

Twenty-two schools of various types are operating today although the original schedule called for only 15 at this date.

As much work will be done by the end of this year in the way of construction and school organization as was scheduled for completion by the end of 1941.

Some 90% of the entire "plant" for the scheme will be completed by November of this year rather than by the summer of 1942. In order to turn out even greater numbers of fighting pilots, three more schools than originally called for are now to be incorporated in the scheme, making eight in all.

"Get Results"

2. To her historic policy of co-ordination in all matters of defense with Great Britain, Canada has added a new and enterprising policy of co-operation with the United States. The new fundamental policy one official described as "improvise, hurry, get results."

Canada went into the war with her whole military mind concentrated on London. When the Dominion turned to aircraft production, both for defensive and training purposes, it was chiefly British machines that we tried to reproduce.

The British embargo of May 31 on airplanes and parts changed all that. It was then that officialdom openly said what had been on its mind for some time: That trying to build British type machines in this country was a mistake.

Aircraft used in Canada or built here should be of a type that we could make with our own shop machinery, Canada decided, and for which we could get the raw materials at least on this continent.

Costs Canada More

3. It appears that the revised air training plan is going to cost Canada more and Britain less than originally estimated. Prime Minister King announced when the scheme was first inaugurated that Canada would bear some $350 millions of the total $600 millions estimated cost. For the most part, however, Britain will be billed for whatever part of her original intended contribution the plan was obliged to obtain elsewhere.

Main reason for predicting a higher bill for Canada is that the scheme is now rather larger than originally conceived. And at least for a time, Britain was unable to keep her part of the bargain and provide the aircraft for training.

Parliament has been informed that the cost of the Air Plan to Canada up to the close of the fiscal year ending March 31, 1941, will be $150 millions.

Canada Leads

4. Events in Europe, and the skilled, forthright leadership of Canada's air executives, appear to have resulted in Canada assuming leadership in the scheme. We have climbed into the pilot's seat and declared: "This is one of the big jobs we can do to help Britain win. She's going to like the result."

Canadian officials might deny this, but at least in spirit—and largely in fact—this seems to be true.

This change in the Canadian point of view is of the utmost significance, both for the present and for the future of this country.

As a key factor for both the first line of defense—Europe—and on the second line of defense—North America—the Air Training Plan suddenly assumed a fuller importance and significance for Canadian life. It did not possess this back in the days when the war was going to be fought between the Maginot and Siegfried lines.

Basic Features

Those are the main differences between the old and the new plans, differences only in point of view and in emphasis.

The basic facts, the basic purpose, remain the same: Establishing a system stretching from coast to coast that will turn out armies of highly trained fighting airmen.

Australian and New Zealand airmen who have completed their elementary training in their own countries will come here for final training as originally planned. The first batch is expected to arrive early this fall. A score of British students arrived here last week.

How many trained airmen will the A. T. P. turn out per year when it gets into full-speed operation? The answer to that question has been sought by citizens and press for months. Officials are adamant. They state simply that such numerical facts of training would be of greatest value to the enemy, hence cannot be divulged.

Curbs on Plan

There are three limits to the speed with which the plan can get into full operation.

There is no lack of raw material. Thousands upon thousands of Canadian youths have applied for admission to this part of the service. Popular imagination has it that the air is the elite service; that life in this force offers less mud and drudgery than elsewhere.

The first limit of the air plan is construction. Getting airports built, barracks and hangars to house the recruits. As already reported, this is well under way and no longer a factor in holding down the speed of development.

Second limit is the training of instructors. Public and high school teachers are all taught how to teach. No matter how smart Canada's airmen, teachers of air force students all must take a six weeks "normal school" training, learning the right questions to ask; the right answers to expect.

Here the plan lost some momentum at the time of the Flanders disaster. Britain's need for fighting airmen was desperate. Scores of Canadian airmen were hurried overseas into European skies. There, they immediately got busy adding magnificent pages to the epic of the R. C. A. F.

Problem of Equipment

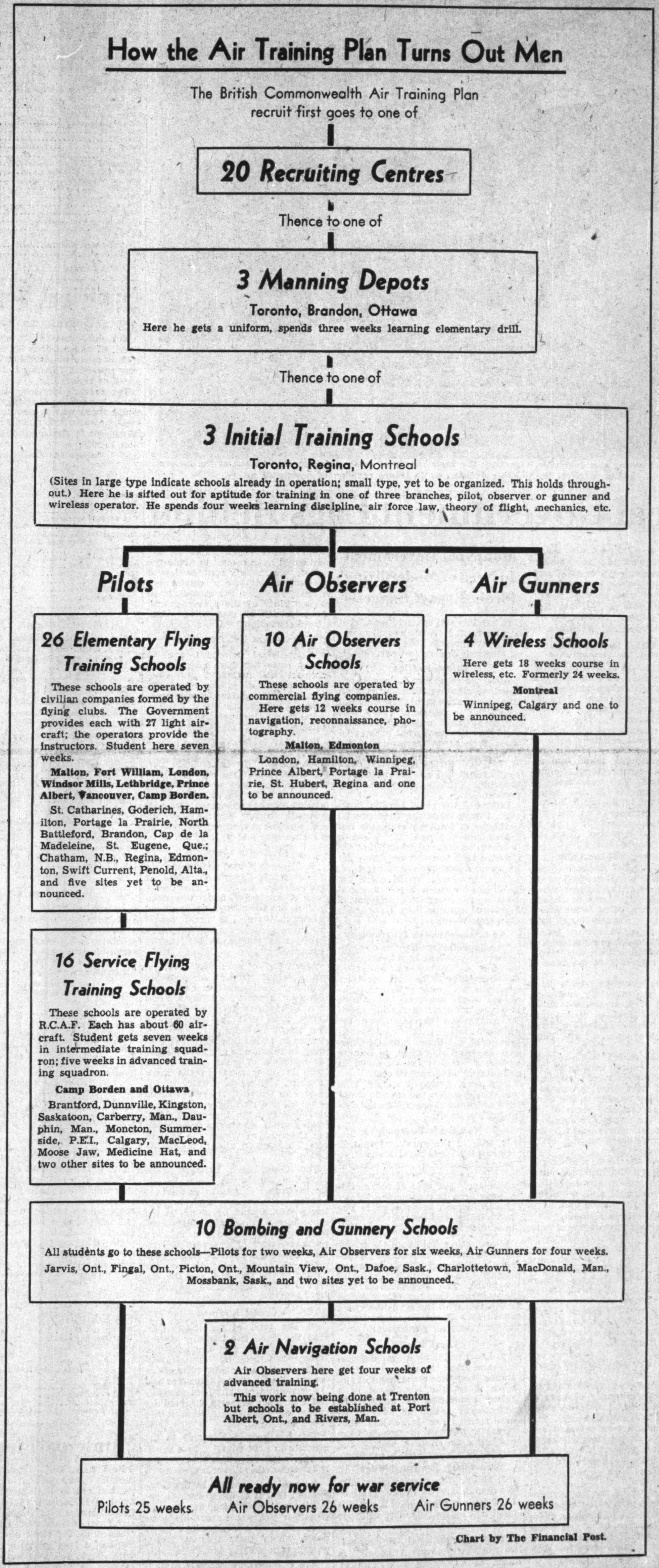
The third limit is the supply of aircraft and aviation equipment. There has been improvement here in recent weeks, but the scheme today could move faster with a more ample supply of advanced training machines; with more wireless units; more guns; more training gadgets.

Here Canada took the big gamble. Her supply of aircraft from Britain was cut off, officially only for two months, but then it looked probable for the duration of the war. United States alarm was rising like a tidal wave and buying planes there seemed a scant hope.

But the order to rush training school construction stayed up. Recruiting went on at a faster pace.

For weeks it looked as if Canada might have thousands of war birds without wings—airmen learning about the air from walks over the airdromes or classroom blackboards.

Today officials believe the stake is won. Last week Britain announced she would again be able to send Canada some aircraft. Machines are still available in United States despite rearmament fervor.



How the Air Training Plan Turns Out Men

The British Commonwealth Air Training Plan recruit first goes to one of

20 Recruiting Centres

Thence to one of

3 Manning Depots

Toronto, Brandon, Ottawa

Here he gets a uniform, spends three weeks learning elementary drill.

Thence to one of

3 Initial Training Schools

Toronto, Regina, Montreal

(Sites in large type indicate schools already in operation; small type, yet to be organized. This holds throughout.) Here he is sifted out for aptitude for training in one of three branches, pilot, observer or gunner and wireless operator. He spends four weeks learning discipline, air force law, theory of flight, mechanics, etc.

Pilots

26 Elementary Flying Training Schools

These schools are operated by civilian companies formed by the flying clubs. The Government provides each with 27 light aircraft; the operators provide the instructors. Student here seven weeks.

Malton, Fort William, London, Windsor Mills, Lethbridge, Prince Albert, Vancouver, Camp Borden.

St. Catharines, Goderich, Hamilton, Portage la Prairie, North Battleford, Brandon, Cap de la Madeleine, St. Eugene, Que.; Chatham, N.B., Regina, Edmonton, Swift Current, Penold, Alta., and five sites yet to be announced.

16 Service Flying Training Schools

These schools are operated by R.C.A.F. Each has about 60 aircraft. Student gets seven weeks in intermediate training squadron; five weeks in advanced training squadron.

Camp Borden and Ottawa

Brantford, Dunnville, Kingston, Saskatoon, Carberry, Man., Dauphin, Man., Moncton, Summerside, P.E.I., Calgary, MacLeod, Moose Jaw, Medicine Hat, and two other sites to be announced.

Air Observers

10 Air Observers Schools

These schools are operated by commercial flying companies.

Here gets 12 weeks course in navigation, reconnaissance, photography.

Malton, Edmonton

London, Hamilton, Winnipeg, Prince Albert, Portage la Prairie, St. Hubert, Regina and one to be announced.

Air Gunners

4 Wireless Schools

Here gets 18 weeks course in wireless, etc. Formerly 24 weeks.

Montreal

Winnipeg, Calgary and one to be announced.

10 Bombing and Gunnery Schools

All students go to these schools—Pilots for two weeks, Air Observers for six weeks, Air Gunners for four weeks.

Jarvis, Ont., Fingal, Ont., Picton, Ont., Mountain View, Ont., Dafoe, Sask., Charlottetown, MacDonald, Man., Mossbank, Sask., and two sites yet to be announced.

2 Air Navigation Schools

Air Observers here get four weeks of advanced training.

This work now being done at Trenton but schools to be established at Port Albert, Ont., and Rivers, Man.

All ready now for war service

Pilots 25 weeks · Air Observers 26 weeks · Air Gunners 26 weeks

Chart by The Financial Post.

Especially important, mobilization of Canadian productive skills promises an unexpected supply of aircraft from Canadian plants.

Probably unique in all the world is the thrifty and businesslike plan adopted here of using civilians to do the major part of the training.

The elementary flying training schools —where the student first learns to fly— are all run indirectly by the flying clubs of Canada which have been turning out thousands of civilian pilots for years, have been popularizing private flying and, generally, making ends meet by means of a rather shoe-string subsidy from the Government.

To handle this training, the flying clubs have formed private companies, each with working capital of a minimum of $35,000. The Government provides the students, the airplanes and the flying field; the private company, the instructors, maintenance of the machines and the administration.

The basis on which these companies are paid is so much per pilot trained. And this price is being worked out as in so many other Canadian war contracts: a target price.

The new Canadian air ministry has established a uniform system of accounting for all, and their books are under constant official inspection.

The contract provides that they are to be allowed to pay 5% dividends on their preferred shares. If after some months of operating it is found this figure is too high, 75% of the extra profit goes back to the Government, the other 25% of the extra goes back to the company as a bonus for efficient, low-cost operation. The contracts will be rewritten from time to time in the light of such experience.

The same general type of arrangement has been made with commercial flying companies for the operation of the air observers' schools.

It is believed that using civilian facilities this way, the Government will get the job done faster and cheaper than it could do it. Very important, this method drastically reduces the amount of governmental machinery required to administer the scheme. It also prevents the creation of armies of squadron leaders or other advanced air force ranks which would have almost inevitably resulted from trying to attract enough competent flyers into the plan's teaching and administrative forces.

And extremely important: it gives the people who have made Canadian aviation a real share in the enterprise.

Effect on Industry

The combination of the air training plan and the Canadian aircraft industry is one of the most significant single developments of the war so far.

The Air Plan creates a major demand for airplanes and—especially important—for a limited number of different types.

Equally or more important is the new Canadian point of view, the new-found conviction that Canada must do some thinking for herself in defense. If Canada is to be a partner with Britain in the struggle, then it is deemed Canada's duty to make some of the decisions herself. An efficient and sound aircraft industry, whether for war or for peace, must be linked with the industrial life of this continent.

Here is something of what is happening in the Canadian aviation industry today as it relates to the air plan.

Fleet Aircraft of Fort Erie, Ont., and de Havilland of Toronto are each turning out about 30 elementary trainers per month. Each has a contract for 404 of these small craft. They are considerably ahead of the delivery schedule and can go faster still if the A. T. P. requires.

De Havilland production is tied to Britain through its use of British-made engines. As a guarantee against halt in production, an additional supply of engines has been arranged for in United States. The standard engine for the Fleet is American-built.

Basic Machine

The sizeable, two-engined monoplane, the Avro Anson, now a familiar sight to thousands of Canadians, is the basic machine for intermediate training. It is the first "big" machine a new pilot gets his hands on. It is useful for teaching navigation, observing, wireless, bombing and almost anything else.

When the air plan was inaugurated, Britain undertook, as part of its contribution, to send Canada some 1,600 of these machines. Wings for them would be made in this country. Canadian plants would assemble the craft. Engines, fuselage, equipment and the rest would come from Britain.

The British embargo, however, completely halted the flow of machines or parts to this country.

Bold-Decision

There came the turning point in Canadian policy. A few hours after the embargo was announced, Hon. C. D. Howe and James S. Duncan, deputy minister of National Defense for Air, sped by plane to New York. Arrangements were swiftly completed for the purchase by Canada of 3,000 engines (Jacobs) suitable for installation in the Ansons.

At the same time, the decision was made to manufacture the complete machines in the Dominion. A small army of engineers was put to work on the more than 5,000 blueprints required for the complete craft. The English plans, drawn of course to English specifications, were redrawn to American-Canadian standards.

The first completely Canadian-made Avro Anson is expected by March next year. Meanwhile, Britain has announced that she can spare some 300 Avros which are to be sent here at once to permit expansion of the air programme this fall.

Fairey Battles, an obsolescent type of British warplane, were also originally scheduled to form an important part of Britain's contribution to the air plan. Some of these, a few dozen, were shipped to Canada and assembled here by R. C. A. F. mechanics during the sitzkrieg. A continued supply was cut off with the British embargo.

The Canadian reply to that difficulty was to line up a sizeable number of an immediately available American-type craft, North American Harvards, which had been on order for the French air force. These are now being delivered. By this year end a Canadian airplane plant, Noorduyn Aviation at Montreal, is expected to be in production on this same type of craft.

Affected by Delays

The Lysander, another British-type machine suitable for training, reconnaissance, etc., is in production at the National Steel Car plant, near Toronto. The British embargo shutting off the supply of engines and other vital parts delayed this operation for some weeks but it is officially stated that the present rate of output is three a week and that this will be up to seven a week by October.

A new type of aircraft wholly designed in Canada, the Fleet 60, is now on order for intermediate training purposes. It is understood that it will be six months at least, however, before these planes will be in production.

The foregoing are the standard machines for elementary and intermediate training. For advanced training the machines of the R. C. A. F. are used.

Most of these are American types, bought new or secondhand: Douglas bombers, military versions of the airliners familiar to air travellers throughout this hemisphere; Lockheed Hudsons, military versions of the machines used on Canada's own Trans-Canada Air Lines; the Stranraer flying boats, old-style giants of British type, are soon to be replaced by a modern and larger American craft, the Consolidated PBY.

The high physical requirements, the low age limits and the high aptitude standards for air plan recruits do, in fact, make it an elite corps.

It was flying flair that made the great Canadian flying reputations in the last war. But the science of modern air warfare makes even greater demands.

In the early weeks of training, senior officers are almost constantly looking over the recruits, sorting them out mentally according to tried standards of practical psychology. The recruit's habits, the way he walks, looks after his gear, reacts to various situations are among the examination papers which determine whether he will be trained as a pilot, gunner or observer, mechanic, groundsman or armorer.

Each job takes its special aptitude. The uniformly cool-headed, methodical, cautious youth with flying flair is the type sought for piloting bombers. There he has an immensely valuable machine to bring back, half a dozen other lives in his hands. The mercurial, lightning-minded chap is the fighting pilot type.

All graduates of the air training plan emerge with the rank of sergeant pilot.

New From Ground Up

Setting it apart from most other major departments of government is the fact that the Department of National Defense for Air is almostly entirely new; a product of the war. Here is an administrative machine that has been pretty well built from the ground up since the outbreak of hostilities.

Its minister, Hon. C. G. Power, has made a name for himself as a hard-hitting, get-things-done politician.

As his deputy and "general manager" of the department he has the much experienced James S. Duncan, head of Massey-Harris.

"This air training plan is the biggest business in Canada," Mr. Duncan told me. "We are trying to run it on the same efficient lines as any profit-making business enterprise; to make it worthy of the men in the service and of Canada."

Because of the youth of the department, because of the youth of the men, Mr. Duncan very evidently feels that there is no reason why this high standard of efficiency should not be realized. He pointed to the very high educational background of the men of the R. C. A. F.; the backbone of the air training plan. "The Canadian air force has always been a service of bright young men. Brasshatism has never developed and we're going to make sure it doesn't."

To back up these men; to organize and administer "Canada's biggest business," Mr. Duncan has swiftly built an impressive organization. After all, his department has the R. C. A. F., both at home and overseas, to look after; the air training plan with its multitudinous personnel and equipment; airplanes, airdromes, stretching from coast to coast and all the rest of it.

The Experts

To do the very important job of supervising aircraft, supplying the many different kinds of equipment, both for training and for defense, H. G. Colebrook has been brought into the department as "executive assistant in charge of engineering and supply."

Mr. Colebrook lays claim to no special knowledge of airplanes or related matters. But he has spent a lifetime buying and supervising supply. His civilian job is director and general merchandising manager of Robert Simpson Co., Toronto.

For the tremendous job of making an efficient "office" organization which will handle all the detail of records whether of men, machines or equipment, Mr. Duncan has brought in W. J. MacDonald, the senior partner of the prominent Winnipeg chartered accounting firm, Millar, MacDonald & Co. Assisting him is G. N. Black, comptroller of Western Breweries Co., Winnipeg.

Inspector of accounts, civil flying schools, is J. L. Apedaile, of Cole, Apedaile & Co., Montreal, chartered accountants. He works with the contracts officer for the civil flying schools, S. D. Armour, a Canadian who has been a banker in Philadelphia in recent years. As director of public relations, there is J. W. G. Clark, of the Cockfield, Brown Advertising Agency, Toronto.

Assisting Mr. Duncan as special trouble-shooters, efficiency experts and general "action-men" are Terence Sheard, assistant general manager of the National Trust Co., Toronto; and H. G. Norman, partner in the accounting firm of Price, Waterhouse & Co., Toronto.

Criticisms of the air plan are, of course, heard. Many Canadians feel that early pronouncements about it were too glowing; too propagandist; that they led people to expect too much too soon.

Scores of municipalities across Canada competed avidly for the honor — and profit—of being selected as site for one or more of the air schools. There are many disappointed, of course.

But the air training plan is one of the greatest enterprises Canada has ever undertaken. It is a major component in the vision of the Canada that is to be; the spearhead of the victory that will come.

Pulp and Paper Industry

Newsprint Price Decision Now Pending

Schedule for Third Quarter Is Likely to be Unchanged

From Our Own Correspondent

MONTREAL.—Price of Canadian newsprint for the third quarter of 1940 will be determined shortly. Ten weeks before the third quarter began International Paper Co., which usually leads in announcing the price, informed customers that there would be no change in the price of deliveries to the end of September.

The $50 a ton New York delivery price has been in effect since the beginning of 1938. This is the standard price for Canadian newsprint. A number of the American mills have followed the same schedule, but a group of U. S. mills under the leadership of Great Northern Paper Co. have been quoting at $1 or $2 under the Canadian price.

While there has been no change in price since 1937, actually the Canadian manufacturers have experienced an increase in price on American sales since last September, as payments in U. S. dollars have brought a premium.

Practically all of the newsprint sold by Canada outside of the Dominion is on a U. S. dollar basis. Even the long-term contract with the Australian publishers called for a price based on that for New York delivery, less the cost of making delivery.

Maintain Old Price

Though prices have been more or less on a quarterly basis for some time, the Canadian manufacturers have made no change in their schedule despite rising costs of materials.

When war was declared, an announcement was made, and has since been repeated, to the effect that the mills here would not attempt to profiteer. They told American publishers that they were primarily interested in stabilizing market conditions and thus assuring a continuity of supplies. To that end they have held the price of newsprint at the pre-war level when conditions were such as to justify a possible price revision.

Elimination of Scandinavian sources of supply has made the United States and several other markets depend upon Canadian mills to a greater extent than ever before for newsprint supplies. The demand has advanced to a point where the Canadian mills are currently operating at a point not far from their effective capacity.

Watch Costs Closely

While there is no immediate likelihood of a shortage of newsprint paper supplies, the mills will shortly have to consider desirability of revamping the price schedule.

In doing so study will no doubt be given to the record of price changes during and since the last war. From 1914 to 1918 there was a steady increase in the price of newsprint, culminating in the peak price of $111.45 a ton in 1921. The latter does not represent the high, but only the average of contract prices for that year.

Trend of Prices

The trend of Canadian newsprint prices since 1915 is set out in the following table:

*Canadian Newsprint Prices
(Yearly Average per ton)

1915	$42.00	1928	$67.50
1916	51.78	1929	62.00
1917	63.78	1930	62.00
1918	64.90	1931	57.00
1919	80.15	1932	48.33
1920	112.60	1933	41.25
1921	111.45	1934	40.00
1922	75.00	1935	40.00
1923	81.80	1936	41.00
1924	79.30	1937	42.50
1925	76.80	1938	50.00
1926	70.00	1939	50.00
1927	70.00	1940	50.00

*New York delivery.

Factors Bearing on Price

Canadian manufacturers so far have been able to keep the price of newsprint at $50 a ton, helped in part by the premium payable on American funds.

It is known that increased costs have absorbed a part of this gain. On the other hand, the gain in demand has made for more efficient use of machinery and in turn lower operating costs per unit.

Against this the prices of sulphur, labor, and numerous other items going into the cost of newsprint have advanced and are likely to continue advancing. Accordingly the manufacturers are anxious not to contract to deliver paper over too lengthy a period.

Taxes Big Item

Another and vitally important factor, in considering an extension or upward revision of the present price schedule, is the matter of taxes. The latter have advanced sharply in the past year. The "excess" profits tax with its minimum base is of serious consequence to all the newsprint operators.

To date there is no indication of how the industry will be treated by the taxing authorities. The manufacturers will undoubtedly make representations to Ottawa for relief as a "depressed" industry. The consideration given to this claim likely will have a bearing on price schedules, if not for the last quarter of 1940, certainly for next year.

Tend to Hold Prices

There are many arguments favoring an increase in the price of newsprint for the last quarter of 1940. Nevertheless it would not be surprising if the price schedule remained unchanged.

As a group the newsprint manufacturers are making money. Unless their costs rise very sharply it is to be expected that they will continue making money; not as much, probably, as would be the case if they charged all that the market will bear, but still considerably above the returns of recent years.

The industry has adopted a long-term outlook and it is believed that the price of newsprint paper will not be advanced until it is no longer possible to overlook the rising price of labor, wood and materials. The premium on American funds has given the Canadian manufacturers a margin to work on. Considering the goodwill that is being created among American publishers by the present price policy, it is not expected that the industry will make any changes in the schedule until the outlook can be determined with a greater degree of accuracy.

Analyses Trend Of Paper Price

Publisher Predicts Higher Prices Likely as Long as War Lasts

From Our Own Correspondent

MONTREAL.—Paper prices in the United States will increase as long as the war lasts due to the shortage of pulp. This is the considered view of John Cornell, publisher of the Paper Mill & Wood Pulp News, in answer to a question by the Associated Business Papers as to what effect the stoppage of paper and pulp exports in Europe would have on the paper situation in the United States.

While an increase in prices is expected, Mr. Cornell says: "It appears to me that unless there is a sharp increase in advertising volume for business papers, there is not likely to be a shortage of paper to supply any visible needs."

On the demand side, Mr. Cornell says, production of paper this year will be closely co-related to the trend of general business in the United States.

Effect on Demand

This close co-relation between the pulp and paper industry and general business has been true for many years and for many business cycles. In 1939 the production of paper and board in the United States was approximately 13.5 million tons which broke all previous records. The average production for the first six months of last year was 80% of rated capacity. In comparison to this the production for the first six months of this year is 88%, which is a 10% increase.

It is doubtful whether this same percentage of increase will continue for the entire year, because there undoubtedly has been some inventory buying of paper during the first half of this year. "My own estimate," Mr. Cornell continued, "is approximately a 5% increase in the paper and board production for 1940 in contrast to 1939.

Deals With Supply

In dealing with the supply side of the paper situation, Mr. Cornell points out the stoppage of pulp export from Scandinavia as the paramount factor.

The market for the sale of chemical pulp in the United States is approximately 2.6 million tons annually. Of this amount approximately 59% is imported from Europe, 19% from Canada, and 22% is made in the States. The so-called converting paper mills, which are those mills which manufacture paper but do not have their own pulp mills, purchase approximately 1.8 million tons of sulphate pulp and approximately 800,000 tons of sulphate pulp annually. The total consumption of all grades of pulp for 1939 was approximately 9 million tons. In that year over 7 million tons of pulp of all grades was produced in the United States. Of this amount approximately 6 million tons was consumed by self-contained mills, those manufacturing their own pulp, and 1 million tons were sold to converting mills.

Because of the stoppage of pulp importations the price of pulp, which is the chief raw material in the manufacture of pulp, has been sharply increased. It is fairly certain that very little pulp will move to the U. S. from Scandinavia.

B. C. Pulp Mills Run at Capacity

Bleached Sulphite Pulp Output Better Than 100,000 Tons Annually

From Our Own Correspondent

MONTREAL. — Both plants of B. C. Pulp and Paper Co. have been operating at capacity since the middle of June. This means that the company is now producing bleached sulphite pulp at an annual rate of between 100,000 and 110,000 tons.

Expectations are that this rate of operation will be warranted throughout the war period and for some time thereafter, depending upon to what extent British Columbia is able to retain the new outlets made available by the present situation.

The United States market is absorbing the major part of the company's present output, with a certain amount going to Great Britain. Rayon pulp is being sold to Japan but not in large quantities.

Production of Cellulose In U. S. Running High

From Our Own Correspondent

MONTREAL. — Cellulose acetate production in the United States continues to run well ahead of last year. June output amounted to 633,808 lb. in the form of sheets, rods and tubes, compared with 446,093 lb. in the same month last year.

For the first half of the current year production totalled 3,938,800 lb. as against 4,407,442 lb. in the like period of 1939. The gain of last year over 1940 was due to abnormally high output in March, 1939, when output was nearly double the normal quantity. Since then current production has been on a greater scale.

Cost of obtaining raw materials, especially the basic supply of wood and pulp, will be one of the factors bound to affect the pending decision as to future revision of newsprint prices.

Local Government Lags Behind

Municipal Government In Need of Modernizing Sirois Report Suggests

"Democracy begins with local government and local government cannot be politically healthy and stimulating unless the problems set to those who conduct it are possible of solution."—From Report of the Royal Commission on Dominion-Provincial Relations.

By HAROLD H. HILLIARD
Staff Writer, The Financial Post

The airplane age is here, but municipal government in Canada is still functioning with machinery designed in the horse and buggy days, according to findings of the Rowell-Sirois Commission.

The Commission was appointed to investigate fiscal relations between the Dominion and the provinces. But this study also has taken into account fundamental features of municipal finance. The importance of local governments in the whole question of public finance is indicated by the Commission's estimate that municipalities raised 31% of all governmental revenues from all sources in Canada during 1937.

The Effect, Not the Cause

The heavy relief burden of the past decade is often accepted as the primary cause of the present condition of municipal finance in Canada. To the contrary, relief is the effect, not the cause. It would not have been a municipal problem if fundamental weaknesses in the machinery of local government had been recognized and corrected at the time of birth.

Relief has served merely to bring to a head an unhealthy condition, roots of which can be traced to as far back as Confederation. It is a condition which began to develop rapidly after introduction of the automobile.

Only rudimentary municipal organization existed outside of Ontario in 1867. Fathers of Confederation hoped that local government would develop quickly in the other provinces and assume some of the burdens of the financially overloaded provincial governments. But growth, particularly in the Maritimes, was very slow.

There was, therefore, a great disparity between the different provinces in the proportionate distribution of provincial and municipal functions, right from the first.

Local Units in Economy

Municipalities were the local units in the nation's economy right up to the beginning of the present century. People were on a self-sufficient basis. Functions of municipal governments arose largely from the particular circumstances and desires of the community.

Each municipality was a clearly recognizable entity, and trade was chiefly between the town and its rural hinterland. Educational needs were not great, and training for one occupation was adequate for many others.

Then came the automobile and all the other revolutionary changes of the 20th century. Local roads became links in trunk highways. The physical horizon was enlarged and movements of population — both transient and permanent—were encouraged. Trend of land values in many cases has been abruptly altered as a result.

The widening of the horizon increased the demands for education and social services. Expansion came in foreign, interprovincial and intermunicipal trade. Full effects of the industrial revolution were felt during and after the first great war.

Widespread Bearing

The changes had widespread bearing upon municipal governments. A new type of one-industry municipality came into being and great metropolitan areas mushroomed up around the larger urban centres. Cities developed at the expense of nearby towns, and suburbs at the expense of cities. But no adequate provision was or has been made for the increasing complexities of municipal government. As a result, the machinery has bogged down.

The Commission says "we cannot speak of the municipal problem, as problems differ greatly in degree and in kind—metropolitan centres, tiny hamlets and sparsely populated rural areas." Nevertheless all municipal governments have been affected although in diverse ways.

Direct Bearing

Its major recommendations, if adopted, would have direct bearing on municipal government. The proposal for Ottawa to assume all relief costs for employable unemployed, with municipalities to forfeit certain taxes, such as on incomes; and for Quebec municipalities to be relieved of 40% of their debenture debt, would result in a net saving to local governments in Canada of $20.4 millions annually.

Lifting of the relief burden, however, would leave the fundamental problems of local governments unsolved and the need for a major overhaul as urgent. Adoption of the Commission's recommendations for improving Dominion-provincial relations, however, would place the provinces in much better financial position to attack the problem of municipal reform than before, the Commission feels.

No Comprehensive Programme

The Commission offers no comprehensive programme how to strengthen the machinery of municipal finance. It explains that local institutions fall under exclusive jurisdiction of the provinces. Therefore, it has refrained from making specific suggestions except where the problem falls within Dominion-provincial relations. The Commission has sought, rather, to outline problems which must be faced in considering municipal reform.

Any such overhaul should take into consideration the specific problems as summarized under the following six heads:

No Longer Economic

1. Size of the municipal unit in metropolitan and rural areas is, in very many cases, no longer economic or in keeping with administrative efficiency. The case of the metropolitan area is conspicuous. Many people in such areas work in one municipality and live and pay taxes in another.

Likewise in rural areas, the motor car is in process of rendering obsolete old municipal boundaries based primarily on the cruising radius of the horse. The suggestion is that the arbitrary drawing of municipal boundaries with the land-surveyor's transit as a gauge no longer serve the local need for government.

Local Need

2. Local needs no longer determine municipal functions. For instance, the police department of one town must take cognizance of a crime committed in another 50 miles away within an hour of its occurrence. The large and continual movement of people from one area to another widens the responsibility for health services.

Provincial Responsibilities

3. Many functions, essentially provincial, are still left with, or have been imposed upon the municipalities. The glaring example here, of course, is relief.

"The constitutional responsibility for unemployment relief," to quote the Commissioner's report, "rested with the province." The municipalities, however, were generally regarded as primarily responsible until the depression, as it had been seldom necessary to recognize the distinction between cyclical mass unemployment and "poor relief."

The prairie provinces and the larger urban centres were hardest hit. Weight of the burden in Saskatchewan was about five times as great as that in the Maritimes and Ontario, the provinces least affected.

While the problem was a big one, there was no co-ordinated or carefully planned relief policy in Canada during the depression. "The Dominion, from whom alone leadership could have come," to quote the report, "was mainly concerned with steering a day-to-day course between insisting on the constitutional responsibility of the provinces and the necessity of preventing widespread starvation."

Revenues Not Adequate

4. Municipal revenues are in many cases far from adequate to support local functions. Municipal expenditures in Canada in 1937 totalled $311 millions, while revenues — before provincial government grants—amounted to only $308 millions.

But that is far from the whole story, as expenditures would be much greater if the revenue was available. Municipal services, particularly highways and education, have been badly starved. The Commission foresees expansion, and consequently higher expenditures, for such services as mothers' allowances, child welfare and poor relief.

Realty Taxes

5. There is almost universal complaint across Canada of undue, or inequitable, taxation or real estate. The Commission finds the complaints are not always well founded although there is a "great weight in these general contentions, even when they cannot be statistically established."

About 80% of municipal revenues are obtained from real property taxation. Real estate is called on, therefore, to meet functions the cost of which varies tremendously between local units of government. The result is there are many instances in which this tax is twice as much in relation to property income for residents of some areas as for those in other areas in the same province. There are extreme instances in which it is several times as much, and striking contrasts can be found between immediately adjoining areas. Examples were given the Commission where the tax, in effect, amounted almost to confiscation.

The Commission believes some provision should be made to tax Crown property. Any being used for commercial purposes, such as electric power, should be taxed on the same terms as private enterprises. Property being used for military purposes, post offices and legislative buildings should make payments, ex gratia, depending on the nature of the property and the extent to which it benefits from municipal services.

Credit Strained

6. The total of municipal debt has not risen substantially during the depression. But the credit of many "one-industry" municipalities, working class "dormitory suburbs" of metropolitan areas and metropolitan communities generally, has been severely strained by relief costs. In some cases it has been destroyed.

This has been due largely to the increase in debt charges, as a result of increased amortization costs for relief and deficit financing.

A warning is sounded by the Commission that it is likely further defaults can be looked for. Some municipalities not yet in default have acquired heavy deadweight relief debts which their limited taxing powers cannot carry indefinitely.

The Commission suggests that, if the British North America Act is amended, provinces should be given specific power to legislate in respect to municipal debt, whether or not the municipality concerned is solvent. Municipal credit should quickly reflect the increased measure of security as a result and under these conditions should be as good as that of a province.

Supervision of such borrowing would ideally include an examination of the purpose and immediate need for the borrowing. Also, it would determine the best form and terms, sinking fund terms and repayment provisions. The supervision might be extended to include close supervision of municipal borrowing and of municipal budgeting, acounting and administrative practices. It might go still farther and establish a system whereby a municipal civil service can develop, such service to be adequately paid, professionally trained and politically independent.

Overseas Newsprint Sales Pick Up Sharply in June

From Our Own Correspondent

MONTREAL.—Resumption of shipments to the United Kingdom featured the overseas marketing operations of the Canadian newsprint industry in June. According to returns of the Dominion Bureau of Statistics, as reported by the Newsprint Association of Canada, shipments to the United Kingdom in the month amounted to 23,559 tons, or just over half of the total deliveries for the first half of the year. On the other hand, shipments to Australia recorded a sharp decline to approximately one third of those a year ago.

The reorientation of the world newsprint market resulting from the war, is evident in the returns for this year. Markets have been re-established in Brazil, Chile, Peru, Uruguay, British India, Mexico and China. As regards other markets, deliveries this year show a sharp increase over those reported for 1939.

Figures on the exports of newsprint from Canada to overseas countries for June and the six months ended June, with comparative figures for 1939, follow:

Canadian Newsprint Exports

	June 1940	June 1939	Six Months 1940	Six Months 1939
	—short tons—		—short tons—	
United Kingdom	23,559	29,219	45,103	87,920
Eire (Irish Free State)	1,943	1,700	4,583	5,205
Australia	7,687	20,227	98,803	83,142
New Zealand	1,281	1,686	16,655	12,559
Br. India, Burma & Ceylon	3,214	28	8,595	28
Br. South Africa	3,276	3,496	21,417	14,058
Br. West Indies	38	18	1,652	417
Other West Indies	588	1,020	809	1,366
Argentina	7,289	1,153	47,487	2,793
Brazil	4,119	......	13,955	......
Chile	822	......	3,850	......
Peru	1,885	......	5,081	......
Uruguay	2,620	......	2,967	......
Venezuela	616	121	1,597	663
Other South America	722	20	2,406	126
Central America	547	50	1,673	232
Mexico	3,899	......	11,845	29
Cuba	1,807	744	5,836	4,594
China	4,194	11	7,615	48
East Indies	2,137	......	6,338	929
Philippines	417	251	1,281	919
All others	1,276	267	4,861	1,746
Total overseas	74,286	60,011	314,409	216,774
U. S. A.	246,369	184,644	1,190,734	998,345
Total exports	320,655	244,655	1,505,143	1,215,119

Municipal Reports

Regina, Sask.

Net debenture debt for Regina, Sask., of $6.9 millions at the end of 1939 is down about $355,000 from a year previous. Sinking fund arrears are also reduced.

Tax arrears increased by a substantial margin during the year, while there was a considerable increase also in tax arrears reserves. A surplus is shown, slightly larger than in 1938.

Income and Assessment

	1939 $	1938 $
Current revenue	3,700,157	3,677,209
Current expenditure	3,664,515	3,651,235
Taxable assess.	40,975,318	41,251,877
Exemp. not incl.	16,484,955	16,264,000
Total tax arrears	2,949,693	2,555,155
Tax arrears reserves	2,475,165	1,987,965
Curr. tax arrears	635,730	485,181
Tax rate (mills)	50	50
Assets and Liabilities		
Total assets	21,471,580	21,801,628
Debenture debt	14,907,155	15,019,403
Total sink. fund	7,973,777	7,731,030
Sink. fund arrears	105,275	135,908
Bank loans	*	1,124,783
Other liabilities	*	179,489

*Not given.

Owen Sound, Ont.

Net debenture debt of Owen Sound, Ont., totalled $928,000 at Dec. 31, last, up $224,000 from a year previous. Bank loans of $85,000 compared with nil at the end of 1938.

Deficit of $20,146 in 1939 compared with $18,644 in the previous year.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	536,681	482,951
Expenditure	556,827	501,595
Taxable assess.	8,516,120	7,992,515
Exemp. not incl.	2,527,079	2,527,079
Total tax arrears	108,814	115,316
Tax reserve	73,922	75,458
Curr. tax levy	414,375	402,681
Curr. tax arrears	49,424	55,130
Tax rate (mills)	46	45
Assets and Liabilities		
Total assets	3,232,561	2,753,580
Total deb. debt	1,778,054	1,759,448
Total sink. fund	850,016	1,055,093
Other liabilities (curr.)	61,031	60,930
Bank loans	85,000	......

Waterloo, Ont.

Net debenture debt of Waterloo, Ont., was down almost $50,000 last year from 1939.

Tax arrears were down and reserve up, leaving a net figure at the end of 1939 of $13,724, down almost $18,000 from a year previous.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Current revenue	301,358	347,810
Current expend.	296,269	335,482
Taxable assess.	6,613,145	6,153,899
Exemp. not incl.	▲	539,135
Total tax arrears	38,996	51,170
Curr. tax levy	270,484	284,257
Curr. tax arrears	18,777	23,914
Tax reserve	25,272	19,766
Assets and Liabilities		
Total assets	1,094,378	1,173,270
Total deb. debt	526,004	596,855
Total sink. fund	nil	21,663
Bank loans	20,060	25,465
Other liabilities	32,797	44,197

▲Not given.

Glace Bay, N.S.

Net debenture debt of Glace Bay, N.S., at $1.1 million at the end of 1939 was down about $55,000 from a year previous. Bank loans at $85,439 were up $65,000. Total assets at $1.2 million declined nearly $2 millions.

Deficit of $2,326 compared with surplus of $6,152 in 1938. Tax arrears were up slightly.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Current revenue	527,537	514,012
Current expenditure	529,863	507,860
Taxable assess.	5,694,448	5,293,450
Exemp. not incl.	101,200	100,000
Total tax arrears	236,975	225,844
Curr. tax levy	416,701	344,074
Curr. tax arrears	109,516	103,486
Tax rate (per cent)	7	7
Assets and Liabilities		
Total assets	1,226,501	3,121,029
Total deb. debt	1,476,450	1,545,400
Total sink. fund	376,418	389,718
Bank loans	85,439	20,000
Other liabilities	212,392	204,220

Municipal Finances

Fort Erie, Ont., reports a compromise arrangement has been worked out by the Ontario Department of Municipal Affairs with the Canadian Bank of Commerce, covering an adjustment on interest claimed by the bank on the settlement of a loan made in connection with Fort Erie's recent financing scheme.

• • •

Riverside, Ont., bondholders have approved the temporary refinancing plan. Final details are being worked out before approval of the Ontario Municipal Board is sought. Riverside separate schools is expected to be refinanced with a similar plan.

U. S. Pulp Trade Maintains High Rate of Operations

From Our Own Correspondent

MONTREAL.—Pulp production in the United States continues at a high level. Consumption has been maintained at the pace established earlier in the year. It is noted, however, that the output of groundwood pulp dropped moderately in June compared with that reported in earlier months.

During June 86% of the industry reported to the United States Pulp Producers Association an output of 623,303 tons, made up of 214,485 tons of sulphite; 298,429 tons of sulphate; 96,190 tons of groundwood and the balance of miscellaneous supplies. Imports during the month were higher at 92,304 tons, while stocks on hand at the end of the month totalled 139,865 tons.

Record for June

The statistical record of the American pulp industry for June, 1940, is set out in the following table:

U. S. WOOD PULP PRODUCTION AND SALES, JUNE, 1940

	Ratio reporting %	Production	Used by producers	*Sales	†Stocks on hand	Imports
		—short tons, air dry—				
Total, all grades▲	86	623,303	486,473	142,938	139,865	92,304
Total sulphite	..	214,485	106,020	75,599	60,945	52,981
Bleached	100	137,784	63,804	74,765	40,034	30,284
Unbleached	89	76,701	43,351	33,255	25,656	22,688
Total sulphate	..	298,429	273,486	28,495	14,985	11,817
Bleached	100	45,800	39,648	9,418	4,491	4,179
Unbleached	95	252,629	233,838	19,987	9,414	13,058
Groundwood	67	96,190	94,109	4,249	52,175	10,330
Damaged, off-quality, etc.	41	14,199	11,386	3,260	2,031	397

*Domestic and foreign.
†Total at end of June, for own use and sale, of pulp of own manufacture.
▲Except soda.
Import data from United States Bureau of Foreign and Domestic Commerce.
Other data as reported monthly to the United States Pulp Producers Association.

Fairbanks-Morse Pays Smaller Dividend

A smaller dividend is reported by the Canadian Fairbanks-Morse Co. Declaration has been made of a 50 cent payment to be made on the common stock Aug. 15, to shareholders of record July 31. Last previous payment was 75 cents per share made May 15.

Total 1940 payments, with Aug. 15 distribution, equal $1.25, compared with 50 cents in 1939 and $1 in 1938.

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Inter. Hydro Electric

Please be good enough to let me have some information on the position of International Hydro Electric System. I hold some of the company's 6% debentures.

International Hydro-Electric System's position has not shown material change of late. The company does not receive any revenue from its holdings in New England Power Association, while the income from stock holdings in the Gatineau Power Co. is sufficient to cover interest on the debentures.

One point of importance in connection with these debentures is the ability of the company to refund them at maturity. It is due to the relatively limited earnings and doubt in respect to the refunding, that the debentures are selling at a comparatively heavy discount.

Clarendon Properties

What is the present outlook for the 7% bonds of Clarendon Properties Ltd. and what is current price?

Clarendon Properties Ltd., has been suffering from declining revenues and has not earned bond interest for some few years. Bonds are in default for a number of years and only occasional payments on past interest are being made.

Obviously, a considerable increase in revenue would be necessary to meet the interest of 7% and there is little prospect of this being obtained. A plan was presented by a group of bondholders two years ago to reorganize and issue new bonds bearing interest at 2½% but the proposal has not been carried out.

The property is being operated by the Royal Trust Co., acting for the bondholders. Current quotation on these bonds is from 18 to 22.

Chainway Stores

Can you give me a full outline of present, past and prospects of Chainway Stores? What connection has P. J. Campbell & Co. with it?

Chainway Stores Ltd. has changed its name to N. M. Davis Corp., but the present retail store division will continue to be operated under the name of Chainway Stores.

The company operates a chain of 19 stores throughout Ontario engaged in a variety trade of merchandise, selling from 5 cents to $5. Another division, supplying general wholesale and dealer accounts, now is being operated under the name of The Atlantic Distributing Co. and is servicing fourteen wholesale accounts.

The company was organized in 1929 and of recent years has been reporting good earnings. Sales and earnings hit an all-time high in 1939 according to N. M. Davis, president.

Sales increased 30.8% over the previous year, while earnings available for debenture interest were up 38.0% over the 1938 figure. Earnings reported were seven times interest requirements on the company's debentures.

P. J. Campbell and Co. has no connection with Chainway Stores. This company distributes some of the debentures and the only relation otherwise is that agents throughout the country are bringing the company some wholesale accounts.

Clarendon Apartments

I hold 7% bonds of Clarendon Apartments and am wondering what the outlook for the company is. Also, what are the bonds currently selling for?

Clarendon Apartments, Ltd. has been suffering from declining revenues during the past two years or more and this culminated in the company passing interest payments on the 7% first mortgage bonds on June 15, and interest is now some years in arrears. The company has a small amount of money on hand but this is being retained to meet two remaining installments of taxes, both of which fall due Aug. 27. Funds are also required for maintenance and other purposes.

Apparently the company is considering some plan of reorganization to readjust the bonded indebtedness at present as it was announced that a meeting will shortly be called to consider the whole matter following completion of certain legalities now in hand.

Current price of these bonds is 18-22.

Intl. Power

Kindly favor me with a report on International Power Co. I hold some of the 7% preferred stock.

International Power Co. is a holding company with interests in South and Central America, the West Indies and Newfoundland. Through subsidiary companies it carries on operations in Newfoundland, Porto Rico, Mexico, Bolivia, San Salvador and Venezuela. The company is consequently dependent upon economic conditions in these areas.

In the year ended Dec. 31, 1939, consolidated statement of the company showed moderately better results. Net profit increased $144,788 from the previous year, to $1.2 million. Net profit of the company on a non-consolidated basis increased to $750,515 from $597,950. This was equal to earnings on the 7% preferred stock of $9.38 and $7.47.

From 1931 to 1937, inclusive, earnings were insufficient to cover dividends on the 7% preferred stock. In 1938 earnings covered requirements by a small margin.

Dividend arrears have consequently been accruing to this stock. At July 3 they amounted to $31.25 a share.

In recent years earnings of the company have shown a steady upward trend. This has been reflected in a lowering of the funded debt and an increase in the net working capital.

Steel of Canada

Will you please let me know if the Steel Co. of Canada stock is a satisfactory investment, having in mind the record of management, regular payment of dividends, and possibility of capital appreciation?

Steel Co. of Canada common stock would appear to offer the requirements you have in mind, namely, conservative and able management and a good dividend record. As regards the third point you have in mind, chances of appreciation under war and recent taxation conditions, it is very difficult to give you an answer. The "excess" profits tax will undoubtedly take a large share of any surplus earnings arising from war activities and until the company has made its first returns, it is difficult to say just how this tax will affect the earnings available for distribution on the capital.

Canada Packers

I am an American investor, wondering if Canada Packers Ltd. qualifies for the following: Is it a company with management which has proved conservative and able? With a good dividend record for the past ten years? And a company likely to be able to withstand increased taxation without threat to dividend payments?

Canada Packers Ltd. is a company with management which has a record of being sound and conservative. It is the largest packing firm in Canada and reported sales of $77 millions in year ended March 31, 1939. Figures for the 1939-40 period have been delayed this year while the effect of the increased taxation is studied.

There is only one class of stock, the common, on which dividends have been paid at the rate of $3 per share per annum, since April 1, 1935. Extra distributions of $1.00 per share have been paid in July of 1939 and 1940.

The new "excess" profits tax now in force in Canada is felt less by companies with an earnings power which has been reasonably stable during the four-year period, 1936 to 1939. Canada Packers showed a stable earnings level during that period. As a matter of fact, earnings have been maintained at a steady level ever since the company was organized in 1927 except for the three-year period 1931-33. Even during those years dividend requirements on the old preferred stocks were earned by a comfortable margin. The preferred stock was redeemed in 1937.

The company, under war conditions, is showing a heavier volume of business as an agreement has been made with the United Kingdom for the sale of bacon. This has not worked out as well as was first expected, but it still has assured a market for all the bacon that can be supplied at a set price, which gives a reasonable margin of profit to all concerned.

General Steel Wares

Do you not think that General Steel Wares common stock is away underpriced at current market?

General Steel Wares common may not be the only stock which might look underpriced at current markets. In view of the somewhat uncertain future for the entire economic system under which we live, it may be that investors in future will demand somewhat higher yield on stocks than has been regarded as satisfactory yields in recent years.

General steel Wares, like many other companies in the same business, is doing quite well under the stimulus of war buying. It should be noted, however, how the new taxation recently instituted by the Dominion Government may affect this company.

As the average earnings for the four-year period 1936-39 are somewhat below the earning power shown during the past year and a half, General Steel Wares common stock will be hit by the "excess" profits tax. On the basis of 1939 earnings, earnings per share were equal to 90 cents after deduction of the old taxes. On the basis of new taxations, The Financial Post estimates this margin is reduced to 44 cents per share—more than cut in half. No dividends have been paid on the common since the company was organized in 1927 and the substantially higher taxation is felt most sharply by this class of stock.

On the other hand, of course, the company continues to show substantial improvement and it would not seem altogether improbable that common shareholders may shortly look for some sort of return. Working capital at the end of last year was the strongest since 1931 while earned surplus shows a substantially improved position from the previous ten years.

Canadian Breweries

Kindly give me your idea of how the "excess" profits tax will affect Canadian Breweries, and whether or not you think they will be able to continue their present dividend of $3.

On the basis of 1939 earnings it has been estimated that the new scale of taxation would have reduced earnings available for the $3 preferred of Canadian Breweries from $3.18 a share to $2.31. Companies with rising earnings trend as compared with the four years 1936-39 are most affected by the latest taxes. Canadian Breweries is in this grouping.

On the basis of The Financial Post estimates the company would not be able to earn dividends on the preferred stock unless earnings are higher than 1939. On this basis the company might appeal to the special Referee Board set up under regulations of the "excess" profits tax, for companies which may be classed as "depressed" businesses.

Even if this company does obtain a special ruling from the Referee Board, its taxes on the basis of 1939 earnings still probably would be higher than were actually paid in the 1939 fiscal year.

On the other hand the company has done substantially better in the six months ended April 30, last. Net profit of $276,789 is more than five times greater than for the comparable period of 1938-39. If the company can maintain this level of earnings, there should be no danger of it not covering dividend requirements in spite of the higher taxation. With the July payment, Canadian Breweries resumed payment of preferred dividends at the full $3 annual rate. For the previous three years the company had paid $2 annually on this stock, leaving arrears of $6.75 a share.

U.S. Securities

I have heard the Canadian Government may take over all foreign securities held by Canadians, and I am being advised to sell my holdings of foreign shares. Can you tell me if this is true?

We are not in a position to say whether or not the Canadian Government will take over holdings of foreign securities by Canadian residents. The whole question will have to be decided by actual need for U. S. dollars, with which to buy needed supplies in that country.

With the speeding up of requirements for war materials, a formerly adequate supply of U. S. funds may be used up faster than anticipated. In any event, it is expected the Government will be reasonable in its attitude. It is hardly thought they would take over American stocks at badly deflated prices if there was any likelihood that better prices could be expected in a reasonably short period.

The rather disappointing revenue from tourists from the United States this summer has somewhat aggravated the need for the Canadian Government to obtain U. S. funds.

There have been suggestions made that the Canadian Government might attempt to borrow money in the United States to cover its American purchases, but information available to The Financial Post would suggest the Government is not making provision for any such borrowing. There are a number of difficulties in the way, and if money is not so borrowed the need may increase for the Canadian Government to take over foreign securities held by Canadians.

Canada Wire & Cable

Would you regard Canada Wire & Cable as having a well-proved management, and a company likely to be able to withstand increased taxation without threatening dividend payments? What has its record been for paying dividends? Has it ever fallen in arrears?

Canada Wire & Cable Co. qualifies as a company with conservative and able management. Its board of directors include a number of men who have established excellent records in various industries.

Doing the type of business it does, it is somewhat difficult to maintain a constant and completely steady earning level. During the period 1931-34 the company could not cover dividend requirements on the 6½% preferred stocks. In other years since 1929, first year for which figures are available, the requirements have been comfortably earned. In each of the four years 1936 to 1939 preferred dividends were earned from two to more than four times. Arrears which accumulated in 1933 were completely eliminated by cash payments by 1938.

Balance Sheets of Business — XIV

Primary Steel Companies

By R. M. COPER

The following five companies constitute the group surveyed this week:

Algoma Steel
Burlington Steel
Dominion Foundries & Steel
Dominion Steel & Coal
Steel of Canada

Four of these firms are engaged chiefly in output of primary steel and basic steel products, and one (Dominion Steel & Coal) also operates extensively in other fields such as coal and iron mining. Steel of Canada and Algoma operate less extensively in the coal and ore mining fields, but meet their needs partially from their own properties. With the exception of Algoma Steel, which closes its books on April 30, the accounts cover the calendar year. The year 1939 means in the case of Algoma 1939-40, its last accounts embraced by the analysis being those of April 30, 1940.

Operations Expanded

Business expanded considerably last year, especially under the influence of the war during the latter part of the period. Individual figures adduced in the annual reports reflect a steep rise of output and capacity used as the year advanced.

This improvement is naturally expressed in the profits. Aggregate profits of the group, i.e., dividends plus surplus, have developed as follows over the last four years:

Aggregate Profits

1939	$7,822,888	1937	$6,762,573
1938	5,590,042	1936	3,324,802

Last year's profits surpassed by a wide margin those of the last peak year, 1937.

Dividends have also increased. Ordinary dividends have regularly, during the four years under review, been paid only by Steel of Canada. Burlington and Dominion Foundries made payments during the last three years only. The remaining two companies have not paid any ordinary dividends. The increase is attributable chiefly to Dominion Foundries having raised its rate every year during the last three years.

The change last year in preferred dividends is due to Algoma taking up payments on its preferred shares which are entitled to a cumulative dividend from last January 1.

Capitalization Stable

There were no conspicuous changes in the capitalization. The increase in the outstanding ordinary stock in 1938 is accounted for by Dominion Steel.

The depreciation charges have risen steadily. But properties, etc., have also increased, and thus the depreciation charges have not greatly changed in relation to properties, etc. They were 5.2% last year.

The working capital has grown every year. But current liabilities have risen more than current assets. Consequently the ratio of current assets to current liabilities has declined. The development was as follows:

Working Capital Ratio

1939	2.83—1	1937	2.17—1
1938	4.49—1	1936	3.98—1

Composite Balance Sheet Primary Steel Companies

	1939 $	1938 $	1937 $	1936 $
Assets				
Cash on hand	5,278,568	4,570,690	3,553,753	5,279,044
Accounts receivable	13,660,884	7,526,536	10,196,491	10,172,063
Temporary investments	7,769,356	5,299,088	6,018,723	7,517,899
Inventories	23,374,792	22,046,310	22,432,296	15,675,344
Misc. current assets	32,300	203,732	57,650	177,752
Invest. in subsidiaries	8,943,249	7,718,231	2,418,543	2,495,926
Other investments	3,203,045	3,817,565	3,902,362	3,712,279
Properties, plant, etc.	73,962,400	72,836,575	70,813,206	65,113,475
Misc. fixed assets	3,470,812	3,134,464	3,051,858	2,839,633
Total assets	139,695,406	127,153,191	122,444,882	112,983,415
Liabilities				
Banks	3,097,000	1,168,723	5,074,897	3,505,126
Accounts payable	6,266,457	3,819,740	5,321,778	3,615,397
Provision for taxes	2,768,603	1,331,154	1,572,002	882,830
Misc. current liabilities	5,589,277	2,594,393	2,891,322	1,758,500
Funded debt	7,122,000	10,426,757	7,741,504	7,795,318
Other long-term debts	6,060,068	5,744,778	6,178,299	6,403,306
Reserves	9,755,861	8,906,964	8,981,011	8,245,396
Preferred stock	9,897,800	9,906,900	9,897,800	9,897,800
Ordinary stock	52,034,054	51,889,470	46,460,428	46,072,500
Cap. and distrib. surplus	31,973,786	28,325,840	23,982,935	23,734,181
Year's surplus	5,130,500	3,038,472	4,342,906	1,073,061
Total liabilities	139,695,406	127,153,191	122,444,882	112,983,415
Current assets	50,115,900	39,646,356	42,258,913	38,822,102
Current liabilities	17,721,337	8,914,010	14,859,999	9,761,853
Working capital	32,394,563	30,732,346	27,398,914	29,060,249
Depreciation charges	3,831,554	3,653,579	3,480,384	3,289,763
Bond interest	575,718	533,723	475,782	283,176
Preferred dividends	554,260	526,741	526,741	526,741
Ordinary dividends	2,138,128	2,024,829	1,892,926	1,725,000

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Company Reports

Standard Fuel

Standard Fuel Co., Toronto, reports net profit equal to $5.33 per share on the 6½% perferred stock for year ended April 30, last, compared with $3.85 in the previous 12 months.

Consol. Income and Surplus Account Years Ended April 30

	1940 $	1939 $
Operating profit	153,088	115,817
Less: Exec. salaries	22,000	22,000
Net oper. profit	131,088	93,817
Add: Invest. income	5,103	5,295
Net earnings	136,191	99,112
Less: Deprec. & obsol.	39,181	33,039
Tax provision	30,238	15,719
Directors' fees	2,188	3,270
Prelim. exp. w/o	1,399	1,399
Net profit	63,184	45,685
Less: Pref. divds.	54,852	77,090
Surplus for year	8,332	*31,405
Add: Prev. surplus	209,891	241,296
Surplus forward	218,223	209,891
Earned per Share:		
Preferred	$5.33	$3.85
Paid	4.62½	6.50
Working Capital		
Current assets	1,097,056	996,295
Current liabilities	267,340	178,991
Working capital	829,716	817,304
Balance Sheet Changes		
Cash	437,414	342,793
Accts. receivable	343,200	396,954
Inventories	316,442	249,156
Accts. payable	213,810	153,185

Detroit Bridge

Detroit International Bridge Co. reports net loss of $196 for the first six months of 1940. This compares with net loss of $113,066 for year ended Dec. 31, 1938, latest previous figures released by the company. Figures for 1940 are after taking into account reorganization approved in 1940.

The directors have adopted a plan of making annual allowances for replacements of only those portions of the bridge properties (other than the main bridge structure) which may require replacement. Under this plan no provision is made for ultimate replacement of the main bridge structure.

Net current assets in Canada were included in the consolidated balance sheet at 90.09 cents to the Canadian dollar. Exchange of certificates under the reorganization plan had not been completed at June 30 last.

Cons. Income and Surplus Account Six Months Ended June 30, 1940

	$
Gross revenue from tolls	129,208
Less Operating expenses	45,034
Adminis. expenses	24,802
Taxes	50,618
Operating profit	8,754
Add Prof. on exchange	398
Misc. other income	1,679
Net income	10,831
Less Depr., furn., equip., etc.	1,027
Allow. for replace.	10,000
Net loss	196
Less: Previous surplus	79,000
Surplus forward	78,804

Working Capital

	June 30 1940 $	Dec. 31 1938 $
Current assets	376,794	325,245
Curent liabilities	78,180	7,910
Working capital	298,614	317,335
Balance Sheet Changes		
Cash	365,212	323,172
Fixed assets	2,607,422	12,092,625
Franchise rights, etc.	......	1,840,078
Funded debt:		
6½% 1st mtge. bds.	......	11,978,000
7% 25-yr. debs.	......	8,000,000
Capital		
7% pfd. stock	......	1,405,300
Common stock	207,648	100,000
Capital surplus	2,718,023	......
Earned surplus	78,804	......
Deficit	......	3,665,273

Algoma Central

Operating profit of Algoma Central and Hudson Bay Railway Co., and Algoma Central Terminals Ltd., at $108,332 in 1939, is up about $18,000 from the previous year.

Receipts were reported by E. E. Ford, secretary of the bondholders' committee, as improved, and he believes they will still continue to develop. The company's four steamers, he continues, had a satisfactory year.

Capital expenditures in 1939 totalled $265,612, of which $232,412 was for construction of facilities at Michipicoten to load iron ore. When the mining operations have been developed, it is anticipated by Mr. Ford that the expenditure will be fully remunerative.

Development of the Helen Mine at Michipicoten proceeded satisfactorily during the past year, Mr. Ford reports, and the railway carried 121,191 net tons of iron ore. Tonnage for 1940 is anticipated to be about 300,000 gross tons.

The bondholders' committee agreed to the further postponement to June 30, last, of interest payment due on the 5% debenture stock and bonds of Algoma Central Terminals.

Claims of the Province of Ontario in respect of taxes covering a period of years resulted in a settlement of all claims to Dec. 31, 1939.

The settlement involved transfer to the province of a substantial part of the company's land grant, and a cash payment, according to E. B. Barber, president.

Profit and Loss Account Years Ended Dec. 31

	1939 $	1938 $
Operating revenue	1,966,557	1,737,310
Less: Oper. exps.	1,730,579	1,528,100
Gen. manag. exps.	87,555	78,128
Taxes	40,090	40,157
Operating profit	108,332	89,925
Add: Rental, leased lands	24,421	24,251
Int. on invest., deps.	17,651	17,899
Less: Int. on equip. notes	640	3,520
Accr. rental on A. C. Term.	149,781	149,781
Loss	17	21,227
Add; Depr., pr. yr.	58,654	40,777
Bond, stock int.	515,425	515,425
Int. accr. on unpaid rental	61,161	53,671
Deficit for year	635,257	631,100
Add: Prev. deficit	5,116,607	4,479,748
U. S. inc. tax, 1936	......	5,759
Deficit forward	5,751,864	5,116,607
Working Capital		
Current assets	1,540,598	1,398,975
Current liabilities	6,955,351	6,536,085
Excess curr. liabs.	5,414,753	5,137,110

American Cyanamid

American Cyanamid Co. reports earnings equal to $1.11 per common share for the first six months of 1940, as compared with 80 cents in the same period of 1939. Improvement in earnings was sufficiently marked to show the increase in per share common earnings in spite of the fact that outstanding preferred stock increased from 208,910 in the first six months of 1939 to 468,127 at June 30, last.

Consol. Income and Surplus Account Six Months Ended June 30

	1940 $	1939 $
Operating profit	7,036,491	5,241,090
Add: Divs., int., etc.	281,138	258,713
Royalties, etc.	73,879	65,309
Other income (net)	19,457	19,301
Total income	7,410,965	5,584,413
Less: Depl. & deprec.	1,786,693	1,578,213
Devel. expenses	1,218,014	878,287
Debt charges	230,085	267,166
Prov. for taxes	1,152,045	677,713
Divs. subs. co.	......	33,320
Net profit	3,024,128	2,149,714
Less Pref. divids.	117,030	51,965
Surplus	2,907,098	2,097,749
Earned per com. sh.	$1.11	$0.80

Peak Business for Blue Ribbon

Profits, Before Taxes, Also Highest in History of Company

Record volume of business is reported by Blue Ribbon Corp. for year ended June 30, last, according to J. M. deC. O'Grady, president.

The increase is partly due to the war conditions since last September. But it is felt by Mr. O'Grady that increased advertising, stepped-up sales effort and generally improved conditions in western Canada are responsible for the greater part of the increase.

Gross profits for the year will show an increase over any year on record, adds Mr. O'Grady. It is impossible, however, to say definitely just yet what the effect is of the new and higher taxation. It may be some considerable time, according to the president, before the company is able to report the exact amount that will be due the Dominion and various provincial governments by way of income tax.

Mr. O'Grady reports that operations are becoming increasingly difficult due to the interruption of foreign supplies.

The annual report is now being prepared and is expected to be available to shareholders about August 9.

Crown Cork Sales Are Improved

Current Dividend 50 Cents Compared With 40 in May

Sales of Crown Cork & Seal Co. showed moderate improvement in the first six months of 1940, as compared with the same period in 1939. Direct comparison with the 1939 period, on the basis of taxes then in force, would also show some increase in profits. Net profit of $278,233 in 1939 was the highest since the company was organized in 1935.

A dividend of 50 cents per share has been declared, payable Aug 15, to shareholders of record Aug. 10. Last previous disbursement was 40 cents paid May 15, and 1940 payments to Aug. 15 total $1.30, compared with $1.60 in 1939 and $1.25 in 1938.

RECEIVES BIG ORDER

MONTREAL.—National Steel Car Corp. received one of the largest orders placed last week by the Department of Munitions and Supply. The value of the order, covering aircraft supplies, was $405,203.

Winnipeg Electric Earnings Increase

Net Higher by $11,971 in June — $58,679 in Six Months

From Our Own Correspondent

MONTREAL.—Net profit of Winnipeg Electric Co. increased $11,971 in June to $224,411 from the same month one year ago.

Net profit for the six months to June 30 was up $58,679 to $1.6 million from the same period in 1939.

Both gross earnings and operating expenses showed expansion in the month and in the six months period.

Following are comparative figures for June and the six months ended June 30:

Operating Statement

June:	1940 $	1939 $	Incr. $
Gross earns.	557,809	532,876	24,933
Oper. exps.	333,398	320,436	12,962
Net profit	224,411	212,440	11,971
Six Months Ended June 30:			
Gross earns.	3,681,510	3,519,777	161,733
Oper. exps.	2,092,433	1,989,379	103,054
Net profit	1,589,077	1,530,398	58,679

Money for Business

Imperial Bank of Canada welcomes applications for loans for business purposes. If you have a sound proposal, we will be glad to consider it and advance necessary assistance upon satisfactory terms.

Our nearest local manager will be pleased to meet you and discuss details.

236

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BRANCHES THROUGHOUT CANADA

SIGNAL FOR
O'Keefe's
it's better for you
O'KEEFES BEVERAGES LIMITED

GET THE Extra Safety OF DUNLOP 'FORT'
With 2000 Teeth To Bite and Grip The Road

Before you choose your new tires, make a point of seeing the world's finest tire...Dunlop 'Fort' ...the only tire with 2000 full depth teeth... over 5000 sharp edges to bite and grip the road and give you silent traction, increased stability and greater safety in every road condition. See your nearest Dunlop dealer today. Choose the Dunlop that best suits your purse and purpose from his wide range of these famous quality tires. N8

Fit DUNLOP
"THE WORLD'S FINEST TIRE"

PRICES THAT CHALLENGE COMPARISON in Every Price Range

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 5

A

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
2.50	.50	.	...	Abitibi	1225	.80	1.00	.80	.80
27½	2½	.	...	Do. pref. 6%	1815	3¾	4½	4	4½
33	5½	.	...	Do. pref. 7%	35	6	11	10	10
6	3	.	...	Acme Glove	100	3	3	3	3
57	50	6.50	...	Do. pref.	....	(— bid 49 asked)			
12½	9	30+20c	10	Agnew Surp.	5	10	10	10	10
110	105	7	6.4	Do. pref.	....	(— bid 107 asked)			
3.00	.75	.	...	Alta. Pac. Gr.	265	.75	1.50	1.00	1.00
38	20	.	...	Do. pref.	25	27½	27½	27½	27½
16⅜	7	.	...	Algoma Steel	185	9	9½	9	9
100	81	§2.50	..	Do. pref.	25	82	85	84	85
145	80	§4.50	..	Aluminum	290	95½	101	98	100
122	110	6	4.9	Do. pref.	....	(100 bid — asked)			
8½	5½	.	...	Amal. Electric	....	(4 bid 5½ asked)			
43	34½	60c	1.7	Amer. Cyn. B.	....	(— bid — asked)			
49½	43½	2.75	6	Ang. Can. Tel. p	12	46	43½	43½	43½
26½	14½	60+60c	7	Asbestos	535	16½	17	16½	16½
19½	12½	1	6.7	Assoc. Brew.	100	14½	15	15	15
112½	109	7	6.4	Do. pref.	....	(109 bid — asked)			
•2	2	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
•34	26	48c	...	Do. pref.	....	(— bid — asked)			
103	101	5.50	5.3	Ault & Wiborg.	....	(— bid — asked)			

B

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
164	138	8	5.8	Bk. Can. Nat.	40	140	139	138	138
212	170	8	4.4	Bk. Montreal	45	180	180½	180	180½
315	275	12	4.3	Bk. N. Scotia	17	280	280	280	280
268	200	10	4.7	Bk. Toronto	1	207	211	211	211
•5	4½	.	...	Barcelona	....	(— bid — asked)			
6½	5	.	...	Barker's Bread	....	(1½ bid 3 asked)			
28	25	2.50	10	Do. pref.	....	(24 bid 30 asked)			
15⅞	6½	§50c	..	Bathurst Pr.	1085	10½	11½	10½	11
5	1½	.	...	Do. (B)	275	2½	2½	2½	2½
1.75	.10	.	...	Bawlf Grain	....	(.10 bid .25 asked)			
45½	25	.	...	Do. pref.	....	(30½ bid 36 asked)			
5	3	.	...	Beath & Sons	....	(1½ bid 5 asked)			
5½	3	.	...	Beatty Bros.	....	(3½ bid 4½ asked)			
102	90	6	6.7	Do. pref.	15	90	92	92	92
90	90	7	7.8	Do. 2nd pref.	....	(— bid 88 asked)			
6½	2½	.	...	Beauharnois	728	4½	5½	4½	5
97½	80	4	5	Belding Cort.	....	(— bid 100 asked)			
150	130	7	5.4	Do. pref.	....	(— bid 138 asked)			
169	130	8	5.4	Bell Telephone	496	148	149	148	148½
12	9½	60+15c	7	Biltmore Hats	....	(— bid 9½ asked)			
9½	5	.	...	Blue Ribbon	10	6	7½	7	7½
42	35	2.50	6.9	Do. pref.	20	35	36	36	36
20½	19	1.30	6.5	Brant. Cord. pf.	....	(19½ bid 21 asked)			
10½	3½	.	...	Brazilian Tr.	3841	4½	5	4½	4½
5½	3	50+25c	..	Brew. & Distil.	311	4½	4½	4	4½
6½	6	30c	5	Bright. T. G.	....	(6½ bid — asked)			
89	89	6	6.7	Do. pref.	....	(90 bid — asked)			
22½	14½	1	5.6	Brit. Amer. Oil	2060	17½	18	17½	17½
19½	9	.	...	B. C. Packers	....	(10 bid 13 asked)			
30	24	2	8	B. C. Power (A)	240	26	25½	24½	25
3½	1½	.	...	Do. (B)	60	2	2	1½	2
7	4½	.	...	Bruck S. Mills	25	4½	4½	4½	4½
17½	12	70+10c	5.9	Building Prod.	330	13½	13½	13½	13½
14	6½	60c	7	Burlington St'l	....	(8½ bid — asked)			

C

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
70	70	.	...	Calgary Power	....	(— bid — asked)			
101½	90	6	6.4	Do. pref.	....	(95 bid — asked)			
5½	1½	.	...	Canada Bread	425	2½	2½	2½	2½
105	90	5	5.4	Do. pref.	....	(— bid 95 asked)			
58	41	2.50+37½c▲	5½	Do. pf. B.	....	(— bid 46 asked)			
6	3½	40c	10.7	Canada Bud	25	4	4	3½	3½
8½	3	.	...	Canada Cement	384	4½	4½	4½	4½
100	75	5	5.8	Do. pref.	35	85	86	85	86
106	102	5	4.9	Canada Cycle, p	....	(102 bid 105 asked)			
35	24	1.50+25c	7	C. & D. Sugar	265	25½	25½	25½	25½
b22½	11½	50c	3.2	Canada Dry	31	14½	15½	14½	14½
23	11	§75c	..	Can. Forg. (A)	25	13½	14½	14½	14½
22	13	.	...	Do. (B)	125	14	15½	15	15
40	38	3	7.9	Can. Iron	....	(25 bid — asked)			
75	65	4	6.2	Do. pref.	....	(65 bid — asked)			
3½	1	.	...	Can. Mach'y	....	(3½ bid — asked)			
32	25	.	...	Do. pref.	....	(32 bid — asked)			
39½	29½	2	6.1	Can. Malting	75	33	33½	33	33
18	10½	1.20	10.4	Can. Nor. Pr.	55	10½	11½	11½	11½
111½	90	7	7.2	Do. pref.	15	96½	97½	97½	97½
104½	65	3+1	5	Can. Packers	40	80	85	82	82
.25	.25	.	...	Can. Paving, p.	....	(.25 bid 1.00 asked)			
150	117	8	6.8	Can. Perman.	29	117	118	117	117½
6½	6½	1	...	Can. Starch	....	(6 bid — asked)			
110	109	7	6.4	Do. pref.	....	(109 bid — asked)			
8½	2	.	...	Can. Steamsh's.	1430	3½	4½	3½	3½
21½	9½	§62½c	..	Do. pref.	581	11	14	13	13½
15½	5	§40c	..	Can. Vinegars	145	6½	6½	6	6½
65	40½	4	7.4	Can. W. Cable	10	50	54	54	54
24	14	50c	3.1	Do. (B)	....	(16 bid 25 asked)			
106½	105	6.50	6	Do. pref.	....	(— bid — asked)			
3	1	.	...	Can. Bakeries	....	(½ bid 1½ asked)			
64	40½	§3	...	Do. pref.	....	(— bid 45 asked)			
178	132	8	5.5	Can. Bk. Com.	89	143	150	140	150
2.75	1.10	.	...	Can. Breweries	150	1.20	1.30	1.20	1.30
31½	21½	3	12.4	Do. pref.	447	24	25	24	25
45	29	1.50+50c	6	Can. Bronze	20	30½	32	31	32
107	102	5	4.9	Do. pref.	....	(— bid — asked)			
10½	6	25c	...	Can. Canners	25	6	6½	6½	6½
27	17	1+10c■	6	Do. 1st pfd.	60	18	18	18	18
14	7½	60+10c■	7	Do. 2nd pfd.	370	9½	10	10	10
16½	5½	.	...	Can. Car & F'y	2285	7	7½	6½	7½
29	12½	.	...	Do. pref.	310	14½	15½	14½	14½
37½	20	1	3.4	Can. Celanese	1690	27½	30	28	29½
120	104	7+1.16■	...	Do. pref.	22	116	120	120	120
22	20	1	4.5	Do. Rights	155	22	22	22	22
19½	14	50c	...	Can. Convert.	....	(— bid — asked)			
120	101	4+2	5.9	Can. Cottons	....	(75 bid 98½ asked)			
118	99½	6	6	Do. pref.	....	(100 bid — asked)			
32	9½	1.50	...	Can. Dredge	....	(11 bid — asked)			
101	100	6	6	Can. Fairb. pf.	....	(100 May 17)			
14½	5	1.40	...	Can. For. Inv.	....	(6 bid 8 asked)			
101	96	8	8.2	Do. pref.	....	(— bid 101 asked)			
240	200	8	3.4	Can. Gen. Elec.	....	(160 bid — asked)			
9½	6	50c	8.3	Can. G. Inv.	....	(7 bid 6½ asked)			
3.62	1.65	†15	...	Can. Ind. Alc.	110	1.75	1.75	1.75	1.75
3.12	1.65	†15	...	Do. (B)	....	(— bid 2.00 asked)			
235	177	7	3.9	Can. Indust. B.	....	(177 bid 179 asked)			
175	150	7	4.4	Do. pref.	....	(161 bid — asked)			
.30	.10	.	...	Can. Int. I. Tr.	....	(.10 bid .25 asked)			
45	43	2	4.4	Do. pref.	....	(25 bid 40 asked)			
18½	12	1	8.3	Can. Lt. & Pr.	....	(— bid 16 asked)			
20	6	.	...	Can. Locomo.	55	8	6	6	6
1.40	.65	4c	...	Can. Marconi	25	.80	.95	.85	.85
21½	12	50+50c	7	Can. Oil	50	14½	14½	14½	14½
123	109½	8	7.3	Do. pref.	....	(112 bid 119 asked)			
8½	4	.	...	Can. Pacific	7023	4½	5	4½	4½
1.50	.25	.	...	C. Pr. & Pa. In.	....	(.50 bid 1.00 asked)			
5	2	.	...	Do. pref.	50	2½	2	2	2
8½	2	.	...	Can. Vickers	85	2½	3	2½	3
33	7½	.	...	Do. pref.	....	(8½ bid — asked)			
13½	9½	1	10.2	C. Wallpaper A.	....	(— bid — asked)			
13	9	1	11.1	Do. (B)	....	(— bid 13 asked)			
52½	48	1.50	3.1	Can. West'ho'se	....	(39 bid 44 asked)			
5½	3½	†25c	..	Can. Wineries	....	(5 bid 6 asked)			
22	13½	1.50	10	Can. Wire Box	100	15	15	15	15
1.75	1.00	.	...	Capital Estates	....	(— bid 1.25 asked)			
117	114	5	4.3	Carnation, pfd.	....	(116½ bid — asked)			
18	10	50c	5	Catelli Food	....	(10 bid 14 asked)			
14½	10	75c	7.5	Do. pref.	....	(10 bid 14½ asked)			
37½	37½	1	...	Celanese of A c	....	(— bid — asked)			
2½	1½	.	...	Celtic Knit	....	(1½ bid — asked)			
160	160	8	5	Cent. Can. L'n	....	(— bid 165 asked)			
102	100	4+1	5	Chart. Trust	....	(— bid 105 asked)			
.54	.10	.	...	Cham. Research	1600	.24	.25	.24	.24
.20	.10	.	...	City Gas & El.	....	(— bid .15 asked)			
.15	.05	.	...	Claude Neon	....	(.05 bid .10 asked)			
1.42	1.00	12c	9.6	Coast Brew	100	1.20	1.25	1.25	1.25
9½	3½	.	...	Cockshutt Plow	200	5	5½	5	5½
3.50	1.55	10c	...	Comm. Alcohol	445	1.75	1.90	1.75	1.90
6½	5	40c	8	Do. pref.	....	(5 bid 5½ asked)			
4	3½	§40c	...	Conduits Nat.	....	(— bid 4½ asked)			
19	12½	1+25c	9	Cons. Bakeries	5	13½	14	14	14
.10	.05	.	...	Cons. Div. Sec.	....	(— bid .08 asked)			
11	6½	75c	...	Do. pref.	....	(7½ bid 14 asked)			
8½	3	.	...	Cons. Paper	10311	4	4½	3½	4
10	5	.	...	Cons. Press	....	(4 bid 5 asked)			
65	55	1.25	...	Cons. Sand. pf.	....	(55 bid 75 asked)			
49	28½	1+1	5.7	Cons. Smelters	1339	32½	35	32½	34½
178	140	10	6.4	Consumers' Gas	63	151	157	155	157
68	40	§1.75	..	Corr. P. Box, p.	....	(— bid 57 asked)			
31½	19½	1.20	5.6	Cosmos Imp.	....	(21½ bid 25 asked)			
105½	104	5	4.8	Do. pref.	....	(104 bid — asked)			
32	21	§1.30	..	Crown Cork	110	21½	25	24	25
3	1½	.	...	Crown Dom. Oil	....	(1½ bid 4½ asked)			
34½	27	3	8.8	Crow's N. Coal	....	(21 bid — asked)			
3.75	.70	.	...	Cub Aircraft	....	(.75 bid .90 asked)			

D, E

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
19	10	1+10c	11	David & Fre. A	....	(10 bid 12 asked)			
3½	1	.	...	Do. (B)	....	(1½ bid — asked)			
17	6½	.	...	de Havilland	....	(5 bid — asked)			
92	86	.	...	Do. pref.	....	(— bid — asked)			
3½	1	.	...	Disher Steel	....	(1½ bid 2 asked)			
14	10	.	...	Do. pref.	....	(— bid 15 asked)			
27½	18½	2.22	8.7	Distill-Seagram	1595	24½	25½	25	25½
97½	80	5	5.8	Do. pref.	....	(82 bid 92 asked)			
39½	39½	1	...	Dom. Ang. Inv.	....	(26 bid — asked)			
70	70	5	7.2	Do. pref.	....	(55 bid 70 asked)			
210	150	10	5.7	Dom. Bank	24	160	175	175	175
40	22	1.20	4.7	Dom. Bridge	982	24	26	24	25
22½	16	1.50	7.9	Dom. Coal, pf.	190	19	20	19½	20
44	20	.	...	Dom. Engineer.	15	20	29	29	29
36½	19	1	4.4	Dom. Foundries	1655	21½	23	21½	21½
110	103½	6	5.4	Do. pref.	....	(103½ bid 110 asked)			
125	113	5	4.4	Dom. Glass	....	(115 bid 124 asked)			
156	135	7	5	Do. pref.	....	(130 bid 141½ asked)			
35	29½	1.20+40	4	Dom. Oilcloth	....	(30 bid 31 asked)			
1.50	1.25	.	...	Dom. Scot. Inv.	....	(1.00 bid 1.25 asked)			
31	27	§1.25	..	Do. pref.	....	(— bid 27 asked)			
4½	1	.	...	Dom. Square	....	(1½ bid — asked)			
15½	6½	.	...	Dom. St. & C.B.	5425	7½	8½	7	7
5½	3	.	...	Dom. Stores	615	3½	4	3½	3½
8½	3	.	...	Dom. Tar & Ch.	755	4½	6	5	5½
90	75	5.50	6.8	Do. pref.	....	(77 bid 90 asked)			
90½	70	5	6.2	Dom. Textile	86	80	81	80	80½
155	148	7	4.7	Do. pref.	....	(141 bid — asked)			
3½	½	.	...	Dom. Woollens	20	½	1½	1½	1½
9½	3	.	...	Do. pref.	593	4½	5	4½	5
10	2½	.	...	Donnacona P.A.	1065	5	5½	5½	5½
9½	3	.	...	Do. (B)	620	4	4½	4½	4½
11½	4	.	...	Dryden Paper	400	5	6	5½	6
•1.00	.30	.	...	East Koot. Pr.	....	(— bid — asked)			
7	5	.	...	Do. pref.	....	(2½ bid 10 asked)			
1.00	.50	.	...	East Dairies	50	.50	.50	.50	.50
8½	3	.	...	Do. pref.	....	(4 bid — asked)			
18½	8	1	8.3	East Steel	100	11	12	12	12
100	97	7	7	East Theat. pf.	....	(— bid 100 asked)			
4½	3	.	...	Easy Washing	....	(— bid 3½ asked)			
29½	27½	§1.12½	..	Economic Inv.	....	(— bid 25 asked)			
12	7½	1.20	...	Electrolux	....	(9 bid — asked)			
5½	2	.	...	Enam. & Heat.	25	2	3	3	3
34	29½	2.50	8.1	English Electric	....	(— bid 28½ asked)			
6	1½	.	...	Do. (B)	40	2½	4	3	4
6	3½	15c	4.8	Equitable Life	7	3½	3½	3½	3½

F, G

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
6½	2	.	...	Fairchild Air	640	2½	3	2½	2½
24	18	1	5.6	Fam. Players	....	(— bid 20 asked)			
30	20½	1.50+25c	7	Fanny Farmer	1045	24½	24½	24½	24½
10½	3½	.	...	Fleet Aircraft	910	4½	5	4½	4½
1.50	.50	.	...	Fleury Bissell	....	(— bid — asked)			
27	20	.	...	Do. pref.	....	(20 bid 27 asked)			
22½	13½	1	6.4	Ford Motor A	1098	15½	15½	15	15½
21½	14	1	6.7	Do. (B)	....	(15½ bid 16½ asked)			
.20	.05	.	...	For. Pr. Secs.	....	(— bid — asked)			
15½	6	25c	...	Foundation Co.	340	9½	10½	10	10½
20	6	.	...	Fraser Cos.	....	(8 bid 10 asked)			
21½	7½	.	...	Do. Vot. Tr.	1790	10	11½	10½	11½
.50	.50	.	...	Freiman	....	(— bid — asked)			
38	25	.	...	Do. pref.	....	(32 bid — asked)			
16½	9	80c	8.9	Gatineau Pwr.	15	9	11	11	11
97	79	5	5.8	Do. pref.	80	85	85½	85	85½
105½	90	5.50	6.1	Do. 5½% pref.	....	(— bid 105 asked)			
6	1½	.	...	Do. Rights	90	2	2	2	2
10½	4½	.	...	Gen. St. Wares	2890	5½	8½	5½	5½
96½	77	7+57c■	...	Do. pref.	....	(88 bid — asked)			
87	58	2.50+2.50	7	Goodyear Tire	20	70	70	70	70
57½	51	2.50	4.7	Do. pref.	10	52½	53½	53½	53½
•50	50	§2	...	Gould Pumps	....	(— bid — asked)			
8	7½	.	...	Gt. Lakes Pap.	....	(2½ bid 6½ asked)			
29	25	50c	...	Do. pref.	....	(— bid 27 asked)			
8	2½	.	...	Do. Vot. tr. c.	57	3	3½	3	3
27½	13	50c	...	Do. Vot. tr. p.	19	15	17	16	16½
3½	1½	.	...	Gt. W. Saddlery	....	(2½ bid 2½ asked)			
35	24	§2.25	..	Do. pref.	....	(— bid 35 asked)			
14½	12	60c	5	Greening Wire	10	12½	12	12	12
1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
10½	4	†30c	...	Gurd, Chas.	....	(4 bid 4½ asked)			
107½	106½	7	6.5	Do. pref	....	(— bid 105 asked)			
5½	2½	.	...	Gypsum, Lime	100	3	3½	3½	3½

H, I

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
21½	21½	1	4.7	Halifax Fire	....	(— bid — asked)			
8½	2½	.	...	Ham. Bridge	775	3½	4½	3½	4½
38½	34	2+25c▲	6	Ham. Cot., pref	....	(— bid 35 asked)			
2.50	.50	.	...	Ham. U. Theat.	200	.50	.90	.90	.90
75	60	6	8.9	Do. pref.	10	60	67	67	67
4½	2½	20+10c	..	Harding Carpet	....	(3 bid 3½ asked)			
.25	.25	.	...	Hillcrest Coll.	....	(25 bid 1.00 asked)			
4	2½	.	...	Do. pref.	....	(1½ bid 2½ asked)			
16	7½	50c	5.6	Hinde & Dauch	360	8½	9	9	9
•20	20	.	...	Holt Renfrew	....	(— bid — asked)			
40	35	.	...	Do. pref.	....	(20 bid 40 asked)			
25	17½	50c	...	Honey Dew	....	(10 bid 21½ asked)			
23½	11½	.	...	H. Smith Pap.	162	15	16	15	15
106	85	6	6.3	Do. pref.	....	(94 bid — asked)			
17	11	1	8.3	Humberstone S.	....	(12 bid 15 asked)			
11	5	.	...	Hunts (A)	....	(6 bid 10 asked)			
10½	5	.	...	Do. (B)	15	8	7	7	7
74½	54	4	7	Huron & E. Mt.	5	56	57	57	57
12	10	80c	...	Do. 20% pd.	....	(— bid 10½ asked)			
2½	2½	20c	8	Hydro Electric	....	(2 bid 3 asked)			
220	150	10	6.1	Imperial Bank	....	(175 bid 195 asked)			
15½	8½	50+25c	7.3	Imperial Oil	3853	10½	10½	10½	10½
16½	12	40+22½c	5	Imperial Tob.	596	13	13½	13	13½
8	6½	30c	4.2	Do. pref.	....	(7½ bid 7½ asked)			
29	18½	2	10	Indust. Accept.	....	(18½ bid 20 asked)			
36	33	3	...	Inter-City Bak.	....	(20 bid 36 asked)			
51	50	5	10	Inter'c Coal	....	(40 bid — asked)			
120	120	8	6.7	Do. pref.	....	(— bid — asked)			
23	14½	1.50	9.7	Inter. Bronze	175	15½	15½	14½	14½
28½	19½	1.50	7.2	Do. pref.	....	(21 bid 24 asked)			
.30	.30	3c	...	Int. Coal & C.	....	(.30 bid — asked)			
15½	5	.	...	Int. Metal Ind.	245	6½	8	7	7
114	90	6+6▲	6.2	Do. pref.	....	(95 bid 99 asked)			
113½	85	6+6▲	6.7	Do. pref. A.	....	(85 bid 115 asked)			
115	111½	5	4.4	Int. Mill., pf.	....	(113½ bid 114½ asked)			
47	27½	2	5.9	Int. Nickel	2109	33½	34½	33½	33½
3½	1	.	...	Int. Paints	....	(1 bid — asked)			
18	11	1+25c▲	..	Do. pref.	....	(12 bid — asked)			
23½	12	.	...	Int. Pap. & P.	....	(— bid — asked)			
80	47	5	...	Do. pref.	....	(60 bid — asked)			
24	12½	1.50	10	Int. Pete.	4418	14½	15½	14½	15½
6	2	.	...	Int. Power	....	(2 bid 2½ asked)			
96	69	6	8.4	Do. pref.	20	71	70	70	70
•11½	10½	.	...	Int. St. Rlty. A.	....	(— bid 14 asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4½ asked)			
11½	7	.	...	Int. Util. (A)	....	(— bid 8½ asked)			
.65	.15	.	...	Do. (B)	100	.25	.20	.20	.20

J, K, L

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
14½	12	§34c	...	Jam. Pub. Ser.	....	(12 bid 13½ asked)			
135	129	7	5.4	Do. pref.	....	(— bid — asked)			
9½	5	50c	...	Kelvinator	....	(6 bid 10 asked)			
28	10	.	...	L. St. John Pr.	....	(13 bid 15 asked)			
2.50	.65	.	...	Lake Sulphite	115	1.00	1.00	1.00	1.00
27	14	50c	...	Lake of Woods	310	16½	17½	16½	17½
128	110	7	6.4	Do. pref.	....	(113½ bid 115 asked)			
55	48½	4	8.2	Landed Bank	....	(— bid 53 asked)			
17	12	70+30c	8.3	Lang, J. A.	15	13	12	12	12
•3½	2	.	...	Langley's	....	(— bid 1½ asked)			
27	18	.	...	Do. pref.	....	(— bid 20 asked)			
13½	9	80c	8.4	Laura Secord	340	9½	10	9½	9½
9½	2	.	...	Legare, pref.	....	(— bid 7 asked)			
3	3	.	...	Levy Bros.	....	(2½ bid — asked)			
5½	2½	.	...	Lindsay, C. W.	364	3	2½	2½	2½
35	35	.	...	Do. pref.	....	(25 bid — asked)			
28½	20	1+25c	5.3	Loblaw (A)	140	23½	24	23	23½
27	20	1+25c	5.5	Do. (B)	140	22½	22½	22½	22½

M

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
.55	.10	.	...	Mackenzie Air	....	(.10 bid .30 asked)			
2½	2½	.	...	MacKin. Steel	....	(— bid — asked)			
59	59	.	...	Do. pref.	....	(55 bid — asked)			
22	9	.	...	Maclaren Pr. p.	471	11	13½	13	13½
10	6½	.	...	M. L. Gardens	....	(6 bid 8 asked)			
7	4½	70c	...	Do. pref.	....	(4 bid 5 asked)			
5½	1½	.	...	Maple Leaf. M.	25	2½	2½	2½	2½
9½	3	.	...	Do. pref.	100	4½	4½	4½	4½
17½	16½	70+10c	5	Maritime Tele.	....	(15½ bid — asked)			
17½	17	70c	4.1	Do. pref	....	(— bid — asked)			
15	15	.	...	Marcus Loew's	....	(12 bid — asked)			
•100	100	7+3.50▲	...	Do. pref.	....	(— bid — asked)			
6½	2½	.	...	Massey-Harris	1815	2½	3½	2½	3½
59½	25	.	...	Do. pref.	640	28	32	29	30
9½	5	.	...	McColl Fron.	170	5½	5½	5½	5½
101½	80	6	6.4	Do. pref.	85	93	93½	93	93
1.65	1.00	.	...	Melchers	15	1.00	1.25	1.25	1.25
6½	3½	.	...	Do. pref.	395	4½	5	4½	5
•1½	1½	.	...	Mercantile Tran	....	(1½ bid — asked)			
•5	5	§3%	...	Do. pref.	....	(4½ bid — asked)			
12½	5	.	...	Mercury Mills	....	(—bid 7 asked)			
43	43	2	4.6	Mitchell, J. S.	....	(45 bid — asked)			
112	110	7	6.2	Do. pref.	....	(112 bid — asked)			
15½	5½	.	...	Mitchell, Robt.	175	8½	9	8½	9
20	12½	80+40c	9½	Mod. Contain.	....	(15 bid 16 asked)			
99½	93	5.50	5.9	Do. pref.	....	(— bid 98 asked)			
6	2	.	...	Monarch Knit.	....	(2½ bid — asked)			
65	60	7	...	Do. pref.	....	(60 bid 68 asked)			
61	60	4	6.7	Montreal Cot.	....	(60 bid 75 asked)			
120	107	7	6.3	Do. pref.	5	110½	110½	110½	110½
.25	.10	.	...	Mont. Is. Pr.	....	(.25 bid 1.00 asked)			
31½	25	1.50	5.3	Mont. L. & Pr.	1386	27½	28½	28	28½
50	46½	.	...	Do. Notes	40	48	49½	48½	48½
15	15	§1.31½	..	Montreal Loan	10	15	15	15	15
.85	.50	.	...	Mtl. Refr. & S.	....	(— bid .50 asked)			
8	6	1.25	...	Do. pref.	....	(— bid — asked)			
45	38	3.20	8.4	Montreal Tele.	1	39	38	38	38
59½	39	6	15	Montreal Trams	5	40	40	40	40
48	34½	1.60+60c	6	Moore Corp.	190	38	38½	38	38
189	144	7	4.6	Do. pref. (A)	25	152	152	150	150
282	210	7	3.2	Do. pref. (B)	....	(223 bid — asked)			
.05	.05	.	...	Muirheads	....	(.05 bid .15 asked)			
1	1	.	...	Do. pref.	....	(— bid — asked)			

N, O

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
38	25	2	7.8	Nat. Breweries	840	25	26½	25½	26½
42	32	1.75	5.5	Do. pref.	10	33	36	36	36
8½	5	.	...	Nat. Grocers	....	(5 bid 5½ asked)			
26½	22	1.50	6	Do. pref.	45	22	25	25	25
10½	7	.	...	N. Sew. Pipe A.	150	7	7½	7	7½
69	34	2	4.8	Nat. Steel Car.	1675	40	44½	40½	42
193	188	8	4.2	National Tr.	....	(— bid 190 asked)			
9½	9½	60c	...	Neon Prod.	....	(— bid — asked)			
32½	20	§1.35	..	Niag. W. Weav.	260	20	24½	22	24½
6½	3	.	...	Noorduyn Av.	50	3½	3	3	3
1.30	.60	.	...	North Star Oil	....	(.55 bid 1.00 asked)			
4½	3½	35c	10	Do. pref.	190	3½	3½	3½	3½
93	92	6	6.5	N. S. L. & Pr.	....	(— bid — asked)			
107½	100	6	6	Do. pref.	....	(— bid 102 asked)			
33½	20	1	4.2	Ogilvie Flour	70	24	23½	23½	23½
162	140	7	4.9	Do. pref.	....	(140 bid — asked)			
112	106	5	4.7	Ontario Loan	....	(106 bid 115 asked)			
5½	4	.	...	Ont. Silknit	....	(— bid 5 asked)			
35	25	.	...	Do. pref.	....	(— bid 25 asked)			
5	3	.	...	Do. Script	....	(— bid 7 asked)			
12	8½	75c	...	Ont. Steel	....	(— bid 12 asked)			
115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
4½	3	.	...	Orange Crush	....	(2 bid 4 asked)			
9½	5	70c	...	Do. pref.	....	(6 bid 8 asked)			
13½	6½	40c	4.4	Ott. Car Air	125	8½	9	9	9
11½	7½	1.20	11.4	Ottawa El. Rly.	....	(10½ bid — asked)			
16	9½	1	10.2	Ott. L. H. & Pr.	40	10	9½	9½	9½
103	90	5	5.4	Do. pref.	5	93	98	98	98

P, Q, R

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
19	18	.	...	Pacific Coyle	....	(— bid — asked)			
111½	89½	5.50	5.7	Page Hersey	30	97	97½	97	97½
6	3½	.	...	Pantepec Oil	....	(— bid — asked)			
36	30	1.50	...	Paton Mfg.	....	(20 bid 40 asked)			
115	115	7	6.1	Do. pref.	....	(105 bid 115 asked)			
72	50	3	6	Penmans	35	50	50	50	50
135	128½	6	4.7	Do. pref.	....	(— bid 128½ asked)			
24	15	1+50c	10	Photo Eng.	....	(15 bid 15½ asked)			
101	95	7	7.4	Porto Rico Pr. p	....	(— bid 95 asked)			
11½	5½	60c	8.9	Power Corp.	300	6½	6½	6½	6½
106½	89	6	6.6	Do. pref.	....	(91 bid 95 asked)			
47	42½	3	6.8	Do. 2nd pref.	....	(— bid — asked)			
12½	6	§50c	..	Pressed Metals	110	7½	8	7½	8
24	9	.	...	Price Bros.	2193	12½	13½	12½	13
80½	59½	5½+1.37½▲		Do. pref.	25	60	65	64	65
7½	4	40c	8	Prov. Transport	80	4½	5	5	5
17½	13	1	7.2	Quebec Power	56	14	14	14	14
4½	4	.	...	Que. Telephone	....	(4 bid — asked)			
30	24	2	8.3	Real Estate L'n.	....	(24 bid — asked)			
6	3	.	...	Regent Knit.	5	3½	3½	3½	3½
17	10	§40c	...	Do. pref.	70	10	12	12	12
10	6	.	...	Reliance Grain	....	(100 bid — asked)			
66	64	§3.25	...	Do. pref.	....	(— bid — asked)			
•10½	10½	80c	...	Remington R'd.	....	(— bid — asked)			
28	23	2	8.7	River S. Mill	....	(— bid 24 asked)			
3½	1½		...	Rogers Majest.	15	2	2	2	2
19½	13	60c	4.6	Rolland Pap.	....	(— bid 12½ asked)			
19½	12	60c	4.8	Do. Vot. Trust	20	12½	12½	12½	12½
102½	85	6	7	Do. pref.	....	(88 bid 99½ asked)			
190	145½	8	5.3	Royal Bank	130	150	151	149	150
17½	15	20c	...	Russell Indust.	....	(15 bid 17 asked)			
190	145	7	4.7	Do. pref.	....	(130 bid — asked)			

S

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
107½	99	5.50	5.3	Saguenay Pr. p.	40	100½	100½	100½	100½
36	30	1+50c	4.7	Sangamo	....	(— bid 32 asked)			
6	4½	.	...	Sarnia Br. (A)	....	(5 bid — asked)			
2½	1½	.	...	Do., (B)	....	(— bid 2 asked)			
24½	16	90c	5	Shawinigan Pr.	885	18	18½	17½	18
15	7	.	...	Sher. Wms.	....	(7½ bid 8½ asked)			
126	113½	7+3.50▲	6	Do. pref.	15	114	114	114	114
6½	3	.	...	Silverwoods	4	3	3½	3½	3½
7½	5	40+40c▲	7	Do. pref.	....	(5½ bid 5½ asked)			
9	7	60c	8.6	Simon & Son	....	(— bid 7 asked)			
105	100	7	7	Do. pref.	....	(— bid 105 asked)			
21½	15	.	...	Simpson, A.	....	(— bid 15 asked)			
12½	3	.	...	Do. (B)	....	(4 bid 6 asked)			
105	79	6.50+1▲	7	Do. pref.	100	90	91	90	90½
130	126	6	4.8	Simpson, R., pf.	....	(110 bid — asked)			
15	9½	80c	7.3	So. Can. Pr.	....	(11 bid 12 asked)			
112	92	6	6.2	Do. pref.	35	96	97	96	97
5½	2	.	...	St. Law. Corp.	915	2½	3½	2½	3½
21	10½	§40c	...	Do. (A)	765	15½	16	15	15½
30	18	1+50	7.9	St. Law. Flour	....	(17 bid 22 asked)			
125	120	7	5.8	Do. pref.	....	(— bid 120 asked)			
52½	20	.	...	St. Law. Pap. p.	169	31½	33	32	32
14	7½	§1.25	...	Stand. Chem.	25	10	12	12	12
2	½	.	...	Stand. Clay	....	(— bid 2 asked)			
2.00	.25	.	...	St. Pav. & Mat.	....	(.40 bid .50 asked)			
6½	3½	31½c	...	Do. pref.	....	(3 bid 4 asked)			
48	39	3	6.2	Stand. Steel, pf.	....	(— bid 47 asked)			
28½	22	60+60c	5.4	Stedman Bros.	110	22	24½	23	24½
86½	61½	1.75‡	5.8	Steel of Can.	689	64	65	64	64
83	62	1.75	2.7	Do. pref.	370	65	65	64	65
4	3	.	...	Sterling Coal	....	(3 bid 3½ asked)			
•.20	.10	.	...	Stop & Shop	....	(— bid .25 asked)			
12½	10	80c	8	Stuart, D.A., pf	....	(— bid 14 asked)			
3½	2½	.	...	Supersilk H.A.	....	(— bid 2½ asked)			
4½	4	.	...	Do. (B)	....	(4 bid 4½ asked)			
82	78½	5	6.2	Do. pref.	....	(— bid 80 asked)			
34	31	1+50c	4.8	Sup. Pete. ord.	....	(— bid 35 asked)			
•37½	35	1+50c	4	Do. com.	....	(32 bid — asked)			

T, U, V

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
12	8½	80c	8.2	Tamblyn	105	9	9½	9½	9½
53	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
3	3	.	...	Thayers	....	(1½ bid 2½ asked)			
36	28	3.50	11.7	Do. pref.	....	(— bid 30 asked)			
1.25	.20	.	...	Thrift Stores	....	(1.00 bid 2.00 asked)			
12	6	.	...	Do. pref.	....	(8 bid 11 asked)			
13½	11	60c	5.4	Tip Top Tailors	....	(— bid 10 asked)			
110	104	7	6.6	Do. pref.	6	105	108	106½	108
3	2	.	...	Tooke Bros.	....	(— bid 2 asked)			
12	5	.	...	Do. pref.	10	6	5	5	5
32	16	1	4.6	Tor. Elevators	290	21	22	20	22
49½	43	2.62½	5.8	Do. pref.	....	(37 bid 46 asked)			
90	70	4	5.2	Tor. Gen. Tr.	....	(77 bid 78 asked)			
98	90½	5	5.5	Toronto Mtge.	....	(— bid 85 asked)			
160	145	7	4.8	Tuckett Tob. p.	....	(— bid 146 asked)			
2½	2	.	...	Twin City	....	(1 bid 3 asked)			
28	28	.	...	Do. pref.	....	(— bid — asked)			
17	12	80+20c	7.2	Union Gas	282	13½	14	13½	13½
13½	12	§40c	..	Un. Amuse. A.	....	(13 bid — asked)			
12	11½	§40c	..	Do. (B)	....	(13 bid — asked)			
•1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.85	.65	.	...	United Distill.	....	(— bid .75 asked)			
42	30	3	8.6	United Fuel, pf.	16	32½	34½	33½	34½
10	3½	.	...	Do. B pref.	30	4	5	4	5
5½	2½	.	...	United Secs.	25	4½	4½	4½	4½
6½	2½	.	...	United Steel	1758	3½	3½	3½	3½
4½	1½	.	...	Viau Bisc.	....	(— bid — asked)			
60	47	5	10.6	Do. pref.	....	(45 bid — asked)			

W, Y, Z

Range 1940 High	Low	Div R'te $	Aug.3 Y'ld %		Sales	Last Aug. 5	Week end. Aug. 5 H	L	Cl'se
37	24	§1.38	...	Wabasso Cot.	605	25	25	24	24
43½	29½	4	10.5	Walker-Good.	590	38	39	38	39
20½	16	1	5.3	Do. pref.	355	19½	19½	19	19½
1.25	.55	.	...	Walkerville Br.	....	(.55 bid .75 asked)			
135	120	7	5.2	W. Koot. Pr. pf.	25	130	135	135	135
5	1½	.	...	West. C. Flour	....	(2 bid 2½ asked)			
47	21	.	...	Do. pref.	30	21	25	24	25
62	40	3	7	West Grocers	5	43	43	43	43
112	103	7	6.7	Do. pref.	....	(— bid 108 asked)			
•11	10½	50c	...	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	7.3	Weston Ltd.	920	10½	11	10½	11
99	76	5	5.6	Do. pref.	....	(86 bid 89 asked)			
24½	16	1	5.9	Wilsils	400	16	17	16½	16½
2.63	1.00	.	...	Winnipeg El. A.	50	1.10	1.10	1.00	1.00
2.37	1.00	.	...	Do. (B)	....	(.95 bid 1.50 asked)			
12	5	.	...	Do. pref.	100	5	6	6	6
85	60	7	10	Wood, A. & J. p	....	(60 bid 90 asked)			
70	30	.	...	Woods Mfg., pf.	....	(37 bid 45 asked)			
11	6	30c	...	York Knitting	....	(4½ bid 7 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8½	.	...	Zellers	200	8½	9	9	9
25	21	1.50	7.2	Do. pref.	....	(20½ bid 24 asked)			

Quotations: • 1939. * 1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940. ■ Participating.
†Interim. §Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending Aug. 5.

A

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	.01½	.00¾	Afton	......	(.04½ bid .05½ asked)			
No	.38	.10	Aldermac	8,300	.12	.14½	.12	.13
1	.06½	.01	Amm. Gold	4,500	.01	.01½	.01	.01½
No	3.00	1.47	Anglo-Huronian	250	1.60	1.60	1.50	1.50
No	.40	.30	Argus Interests	......	(.30 bid .50 asked)			
No	.03	.01	Arno	......	(.... bid .02½ asked)			
1	.17	.04	Arntfield	1,000	.04	.06	.06	.06
1	.07	.02	Ashley	1,500	.03	.03½	.03½	.03½
1	.04½	.02	Astoria Quebec	......	(.02 bid .03 asked)			
1	2.68	.90	Aunor Gold	4,750	1.36	1.35	1.19	1.19

B

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	.10½	.02	Bagamac	......	(.03½ bid .07½ asked)			
1	.28	.05	Bankfield	5,100	.10	.10	.09½	.09½
No	.33	.07	Base Metals	7,300	.07½	.11	.08	.11
1	.09½	.02½	Bear Exploration	35,500	.09	.09	.07	.07½
No	1.19	.70	Beattie Gold	2,900	.80	.80	.78	.79
1	.13	.03½	Beaufor	......	(.04 bid .08 asked)			
1	.51½	.10	Bidgood Kirk	20,100	.14	.15	.13½	.13½
1	.14	.03	Big Missouri	1,000	.05½	.05½	.05½	.05½
1	.11½	.03½	Bobjo	500	.05	.06	.06	.06
1	.04½	.02	Bouscadillac G.M.	......	(.02 bid .02½ asked)			
No	11.25	7.25	Bralorne	910	8.25	8.50	8.25	8.50
1	.06	.01½	Brasil Gold	1,000	.01½	.01½	.01½	.01½
1	.01½	.01	Brett Trethewey	......	(.00½ bid .01 asked)			
1	.69	.28	Broulan Porc.	217,702	.50	.51	.46	.46
1	8.70	2.75	Buffalo Ankerite	350	3.00	3.10	3.05	3.05
No	.04½	.01½	Buffalo Can.	......	(.... bid .... asked)			
5	23.50	10.00	Bulolo Gold	10	12.50	13.50	13.50	13.50
No	.03½	.01	Bunker Hill	500	.01½	.01½	.01½	.01½

C

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
No	.90	.30	Can. Malartic	2,950	.40	.40	.39	.40
1	*.03½	.01	Capital Rouyn	......	(.... bid .... asked)			
1	2.67	1.65	Cariboo Gold	......	(.... bid .01 asked)			
1	.02½	.01	Cartier Malartic	......	(.01 bid .01½ asked)			
1	.75	.45	Castle Trethewey	600	.62	.56	.56	.56
1	.20	.06	Cen. Cadillac	200	.06	.06	.06	.06
1	2.55	1.45	Cen. Patricia	1,260	1.90	1.90	1.78	1.80
1	.14	.03	Cen. Porcupine	700	.06	.05	.04	.05
1	.21	.11	Century Mining	......	(.... bid .... asked)			
1	1.05	.41	Chesterville	7,308	.79	.81	.73	.76
No	.58	.18	Chromium	......	(.05 bid .15 asked)			
1	2.00	.50	Coast Copper	......	(.49 bid 1.02 asked)			
1	.78	.30	Cochenour Willans	3,100	.50	.50	.46	.49
5	1.65	1.30	Coniagas	......	(.60 bid 1.50 asked)			
No	1.98	1.00	Coniaurum	1,100	1.16	1.16	1.12	1.13
5	49.00	28.50	Cons. Smelters	1,334	32.25	35.00	32.50	35.00

D, E

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	1.35	.50	Delnite	......	(.60 bid 1.00 asked)			
1	.08½	.03	Denison Nickel	......	(.03 bid .04 asked)			
No	29.50	16.00	Dome Mines	580	19.63	20.50	19.50	19.75
1	.04½	.01½	Dorval Siscoe	......	(.01½ bid .02 asked)			
1	.03½	.01	Duparquet	2,000	.01	.01	.01	.01
1	.10½	.02	Duquesne	......	(.02 bid .05 asked)			
1	4.10	1.95	East Malartic	12,960	2.93	3.00	2.65	2.80
1	1.25	.20	Eldorado	3,525	.34	.35	.32	.32

F, G

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
No	5.05	1.70	Falconbridge	2,350	2.55	2.55	2.50	2.50
1	.05½	.01½	Federal	1,100	.02	.02½	.02½	.02½
1	.07	.02	Fernland	......	(.... bid .02½ asked)			
No	.70	.19	Francoeur Gold	1700	.29	.31	.30	.30
1	.10½	.03½	Gillies Lake	......	(.03½ bid .04½ asked)			
1	.02½	.01	Glenora	......	(.01½ bid .01½ asked)			
No	.69	.25	God's Lake	2,350	.31	.32	.30	.30
1	.23	.08	Goldale	......	(.11 bid .12 asked)			
50c.	.26	.22	Gold Belt	......	(.20 bid .25 asked)			
1	.26	.05	Gold Eagle	500	.09	.08½	.08½	.08½
1	.22	.07½	Golden Gate	15,600	.12	.12½	.11	.11
1	.01½	.00¾	Goodfish	......	(.... bid .... asked)			
1	.03½	.01	Graham Bosquet	......	(.00½ bid .01 asked)			
No	.05½	.02½	Grandora	500	.05½	.04½	.04½	.04½
1	.04	.02½	Grull Wihksne	......	(.01½ bid .04 asked)			
1	.64	.31	Gunnar Gold	1,300	.40	.40	.36	.36

H, I, J

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	.03½	.00¾	Halcrow Swayze	1,000	.00¾	.00¾	.00¾	.00¾
1	.03½	.01	Halliwell Gold	1,500	.01	.01	.01	.01
1	8.00	4.50	Hallnor	......	(4.50 bid 6.35 asked)			
1	1.48	.54	Hard Rock	7,534	.71	.71	.68½	.71
1	.10	.03	Harker	......	(.03½ bid .03½ asked)			
1	.57	.30	Hedley Mascot	......	(.30 May 23)			
5	15.00	9.50	Hollinger	1,115	11.00	11.00	11.00	11.00
1	.40½	.20	Howey Gold	3,600	.24	.24	.23	.23
No	34.00	19.50	Hudson Bay	426	25.00	25.00	23.25	23.50
1	.45	.13	Inspiration	......	(.18 bid .40 asked)			
1	*9.87	7.00	Inter. Mining	......	(.... bid .... asked)			
No	47.00	27.50	Int. Nickel	2,014	33.25	34.50	33.25	34.00
50c.	1.09	.65	Island Mountain	......	(.60 bid 1.00 asked)			
1	.05	.01½	Jacola	......	(.02 bid .02½ asked)			
1	.27	.13	Jack Waite	......	(.... bid .... asked)			
1	.19	.03	Jellicoe	4,667	.04	.04	.04	.04
1	.04½	.00¾	J. M. Cons. Gold	......	(.00½ bid .01½ asked)			
1	.08½	.02	Joliet Quebec	......	(.02½ bid .... asked)			

K, L

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	2.75	1.20	Kerr Addison	11,050	2.21	2.20	2.05	2.15
1	.45	.30	Kerr Lake	200	.30	.30	.30	.30
1	.07	.04	Kirk. Gold Rand	......	(.01 bid .04 asked)			
1	.32	.11	Kirk. Hud. Bay	100	.15	.13½	.13½	.13½
1	1.54	.70	Kirkland Lake	2,600	.95	.93	.90	.90
1	.18	.07	Kirk. Townsite	......	(.06½ bid .... asked)			
1	32.00	15.25	Lake Shore	609	19.50	19.62	19.00	19.50
No	7.25	4.75	Lamaque Gold	748	4.95	4.95	4.95	4.95
1	.22½	.05	Lapa Cadillac	3,000	.07½	.07	.06	.06
1	.05½	.01	Lebel Oro	500	.01½	.01½	.01½	.01½
1	.88	.41	Leitch Gold	200	.55	.54	.52	.52
No	3.40	1.71	Little Long Lac	800	2.20	2.25	2.15	2.15

M

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	4.80	2.25	Macassa	2,360	3.30	3.25	3.10	3.20
1	2.55	1.00	MacLeod Cockshutt	13,500	1.44	1.55	1.35	1.55
1	.62	.20	Madsen Red Lake	9,600	.33	.33	.31	.32
1	1.45	.54	Malartic Gold	4,700	.92	.90	.85	.90
No	.12	.07	Mandy	......	(.02½ bid .07½ asked)			
No	.01½	.00¾	Man. & Eastern	......	(.00½ bid .00½ asked)			
1	.04½	.00¾	Maralgo	......	(.01 bid .02 asked)			
5	58.00	37.25	McIntyre	125	40.50	42.00	41.00	41.50
1	1.47	.85	McKenzie R.L.	6,050	1.00	1.00	.95	.95
1	.15½	.04	McVittie Graham	......	(.05 bid .... asked)			
No	.58	.20	McWatters	5,400	.29	.30	.26	.27
5	.39	.39	Mentor Exploration	......	(.... bid .49 asked)			
No	1.33	.40	Mining Corp.	1,000	.48	.55	.50	.55
1	.05	.05	Moffatt Hall	......	(.02 bid .04 asked)			
1	.93½	.36	Moneta	6,000	.45	.45	.44	.45
1	.08	.02	Morris Kirk	16,300	.02	.03	.02½	.02½
1	.02½	.01	Murphy	1,000	.01½	.01	.01	.01

N, O

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	.37½	.12	Naybob	21,600	.15	.17½	.15½	.15½
No	.04½	.01	Newbec	......	(.01½ bid .02 asked)			
1	.09½	.05	New Golden Rose	......	(.... bid .07 asked)			
5	1.40	.75	Nipissing	......	(.85 bid .95 asked)			
No	78.75	42.75	Noranda	1,900	53.00	56.00	53.50	53.50
No	.55	.25	Nor. Canada	......	(.25 bid .39 asked)			
1	.06½	.02½	Norgold	......	(.02 bid .03½ asked)			
No	.62	.15	Normetals	......	(.30 bid .... asked)			
1	9.85	7.25	Northern Empire	......	(6.50 bid 7.25 asked)			
1	1.82	.50	O'Brien	500	.85	.89	.85	.85
1	.34	.10	Omega	1,500	.15	.15	.15	.15
No	.61	.17	Oro Plata	800	.29½	.29½	.26	.28
1	.10	.05½	Osisko	......	(— bid .09½ asked)			

P, Q, R

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
No	2.35	.78	Pamour	1,300	1.00	1.00	.98	1.00
1	.10½	.02	Pandora	1,000	.05	.04	.04	.04
1	2.65	1.40	Pato Cons. G.	......	(1.50 bid 2.25 asked)			
1	.10	.02	Partanen Mal.	......	(.02½ bid .04 asked)			
1	.02	.00¾	Pawnee Kirk.	......	(.00½ bid .01 asked)			
1	.53	.20	Paymaster	4,750	.24	.24½	.20	.20
1	2.35	.90	Pend Oreille	3,350	1.30	1.40	1.25	1.25
1	2.12	1.01	Perron Gold	3,050	1.50	1.53	1.45	1.45
1	4.30	2.12	Pickle Crow	2,560	2.55	2.70	2.55	2.65
1	2.35	1.45	Pioneer Gold B.C.	1,450	1.85	1.95	1.85	1.95
1	14.50	9.50	Placer Devel.	......	(.06½ bid .18 asked)			
1	2.18	.55	Powell Rouyn	800	.70	.70	.67	.67
1	1.42	.68	Premier Gold	100	.78	.78	.78	.78
1	2.40	1.30	Preston E. Dome	9,450	1.76	1.76	1.70	1.75
No	.35	.23	Prospectors Air's.	......	(.15 bid .25 asked)			
1	.42	.20	Quebec Gold	200	.20	.25	.25	.25
No	.08	.02	Quemont	100	.02	.02	.02	.02
No	.08½	.01	Red Crest	500	.01	.01½	.01½	.01½
1	.57	.12	Reno Gold	500	.15	.15	.15	.15
1	.26	.20	Reeves McDonald	......	(.26 June 7)			
1	.00¾	.00½	Robb Montbray	......	(.00½ bid .00½ asked)			
1	.06½	.02½	Roche Long Lac	3,100	.03½	.03½	.03½	.03½

S, T, U, V, W, Y

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	2.50	1.25	San Antonio	3,250	1.80	1.83	1.67	1.70
1	.15	.05	Sand River	4,500	.06	.06	.05	.05
1	.57	.10	Senator Rouyn	6,200	.18½	.25	.21	.25
1	.05½	.01	Shawkey	200	.01	.01½	.01½	.01½
50c.	1.24	.78	Sheep Creek	100	.83	.84	.84	.84
1	1.18	.50	Sherritt Gordon	10,225	.65	.67	.65	.65
1	8.75	4.00	Sigma Mines	700	5.50	5.50	5.25	5.50
1	.95	.60	Siscoe	8,883	.65	.67	.61½	.63
1	.61	.20	Sladen Malartic	3,500	.36	.36	.34	.34
1	.07½	.02½	Slave Lake	3,000	.04½	.05	.05	.05
1	.21	.07½	St. Anthony	1,000	.09½	.10	.10	.10
No	3.10	1.05	Steep Rock	14,030	1.55	1.78	1.51	1.53
No	.08½	.03	Straw Lake	1,150	.04½	.05½	.04½	.05
1	.21	.09	Sturgeon River	......	(.11 bid .12 asked)			
No	2.05	.80	Sudbury Basin	500	1.10	1.13	1.05	1.05
1	.08½	.04	Sudbury Contact	......	(.02½ bid .04½ asked)			
1	1.02	.45	Sullivan Cons.	3,500	.55	.60	.55	.60
1	3.45	1.90	Sylvanite	1,905	2.25	2.25	2.20	2.25
1	4.15	2.40	Teck Hughes	3,558	3.05	3.15	3.05	3.15
1	.08½	.02½	Temiskaming	500	.04	.05½	.05½	.05½
1	1.90	1.00	Toburn Gold	......	(1.03 bid 1.25 asked)			
1	.35	.09	Towagmac	500	.10½	.12	.12	.12
1	1.12	.25	Uchi Gold	700	.35	.35	.35	.35
	97.00	64.00	Do., Bonds	......	(68.00 bid 88.00 asked)			
1	.97	.54	Upper Canada	9,245	.78	.79	.75	.76
No	4.35	1.75	Ventures	427	2.40	2.50	2.20	2.20
No	6.05	2.65	Waite Amulet	3,274	2.95	3.20	3.05	3.10
1	.16	.06	Wendigo	2,600	.08	.08	.07	.07
1	.03½	.01½	Wiltsey Coughlan	......	(.00½ bid .02 asked)			
1	.32	.08	Wood Cadillac	3,700	.11	.11½	.09	.11
No	8.25	4.70	Wright-Hargreaves	2,335	5.80	5.95	5.65	5.80
No	.07	.04	Ymir Girl	......	(.04½ bid .06 asked)			

Oil Stocks

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
No	.06	.02	Acme Gas & Oil	......	(.03½ bid .05½ asked)			
No	.21	.05½	Alta. Pac. Cons.	......	(.08½ bid .12 asked)			
1	.22½	.10	Ajax	200	.10	.11	.11	.11
No	1.03	.40	Anglo Canadian	8,800	.57	.60	.54	.56
No	.07	.06	Anaconda	......	(.03½ bid .04½ asked)			
No	.18	.06	Br. Dominion	......	(.... bid .... asked)			
No	.19½	.06½	Brown Oil	200	.08½	.09½	.09½	.09½
100	75.00	65.00	Do., pref.	......	(.... bid .82 asked)			
No	2.39	1.00	Calgary & Ed.	2,100	1.30	1.42	1.35	1.40
1	.47	.18	Calmont	1,500	.22½	.26	.25	.26
No	.33	.15	Commoil	......	(.21 bid .25 asked)			
No	.32	.10	Common Pete	......	(.20 bid .... asked)			
No	.55	.20	Dalhousie	1,850	.22	.28	.20	.20
No	.35	.12	Davies Pete	9,700	.12½	.15	.12	.13
No	.08	.02	East Crest	1,000	.04	.04	.04	.04
No	.26	.15	Extension Oil	......	(.18 bid .20 asked)			
No	.40	.27	Federated Pete	......	(.30 bid .45 asked)			
25c.	.09	.05½	Firestone Pete	......	(.05½ bid .07 asked)			
No	1.05	.30	Foothills	500	.40	.50	.50	.50
25c.	.11	.06	Foundation Pete	300	.06½	.07	.07	.07
No	.18	.17	Hargal	......	(.... bid .20 asked)			
No	.19½	.07	High Sarcee	......	(.08½ bid .09½ asked)			
No	3.10	1.30	Home	9,210	1.62	1.72	1.57	1.62
1	.07½	.01½	Homestead, O. & G.	6,500	.02	.02½	.02	.02½
No	.14	.05	McD. Segur	......	(.06 bid .08 asked)			
1	.30	.16	Model	......	(.16 bid .... asked)			
25c.	.09	.04½	Monarch Royalties	......	(.06 bid .07 asked)			
25c.	.21½	.04	National Pete	......	(.03½ bid .05 asked)			
1	.07½	.02	Nordon	500	.03½	.03½	.03½	.03½
No	.02½	.01½	Oil Selections	500	.01½	.01½	.01½	.01½
No	1.35	.60	Okalta	700	.70	.75	.70	.70
No	.06½	.02½	Pacalta	......	(.02½ bid .04½ asked)			
1	.40	.20	Pacific Pete	700	.22	.26	.26	.26
No	.35	.25	Petrol Oil & Gas	......	(.25 bid .... asked)			
25c.	.22	.12	Prairie Royalties	500	.13	.13½	.13½	.13½
No	36.50	17.63	Royalite	225	23.00	23.75	22.75	23.00
No	.62½	.20	South West Pete	——	(.20 bid .... asked)			
No	.07½	.02½	South End	——	(.02 bid .02½ asked)			
5	2.25	.90	Texas Can.	——	(1.00 bid 1.50 asked)			
No	.08½	.03	United Oils	——	(.04 bid .05 asked)			
1	.17½	.07	Vermilata	——	(.... bid .07 asked)			
No	.60	.26	Vulcan	——	(.26 July 5)			
No	.04	.02	West Flank	——	(.... bid .02 asked)			

Vancouver Stocks

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	.14	.04	Big Missouri	1,000	.05½	.05½	.05½	.05½
No	11.50	7.55	Bralorne	944	8.25	8.30	8.25	8.30
1	.01½	.01½	Bridge River Cons.	——	(.... bid .01 asked)			
1	2.70	1.65	Cariboo Gold	50	1.85	1.95	1.95	1.95
No	.01½	.01	Dentonia	——	(.... bid .01 asked)			
No	.02	.00½	Fairview Amal.	——	(.00½ bid .... asked)			
1	.20	.10	George Copper	——	(.10 May 21)			
1	.05	.03½	Golconda	——	(.02 bid .... asked)			
50c.	.28	.15	Gold Belt	——	(.20 bid .24 asked)			
50c.	.18	.08	Grandview	1,000	.10½	.10½	.10½	.10½
1	.04½	.01½	Grull Wihksne	1,000	.02½	.02½	.02½	.02½
1	.57	.30	Hedley Mascot	1,300	.31	.31	.30	.30
No	.00½	.00½	Home Gold	5,000	.00½	.00½	.00½	.00½
No	.01	.00½	Indian Mines	——	(.... bid .... asked)			
50c.	1.10	.63	Island Mountain	——	(.62 bid .... asked)			
1	.38	.30	Inter'tl Coal	——	(.22 bid .... asked)			
50c.	.85	.25	Kootenay Belle	——	(.25 bid .... asked)			
1	.25	.17	McGillivray Creek	——	(.16 bid .... asked)			
No	.05½	.01	Minto Mines	18,850	.01½	.01½	.01½	.01½
50c.	.04½	.01	Nicola	5,000	.01½	.01	.01	.01
1	.13	.07½	Pacific Nickel	1,500	.10	.08	.08	.08
1	2.35	1.05	Pend Oreille	——	(1.25 bid 1.50 asked)			
1	2.50	1.45	Pioneer Gold	300	1.80	1.87	1.87	1.87
50c.	.02½	.01½	Porter Idaho	9,000	.01½	.01½	.01½	.01½
No	.01½	.00½	Premier Border	——	(.01 bid .01½ asked)			
1	1.42	.72	Premier Gold	200	.80	.80	.80	.80
No	.94	.37	Privateer Mines	2,100	.47	.45	.43	.45
1	.03½	.01	Quatsino Copper	——	(.01 June 6)			
1	.14½	.04	Relief Arlington	5,600	.04½	.06½	.06	.06½
1	.30	.15	Reeves McDonald	——	(.... bid .25 asked)			
1	.57	.10	Reno Gold	——	(.06 bid .06½ asked)			
1	.06½	.04	Sally Mines	——	(.... bid .06 asked)			
50c.	.03½	.01	Salmon Gold	10,000	.02	.03½	.03	.03½
50c.	1.22	.75	Sheep Creek	1,900	.84	.85	.85	.85
1	1.31	.60	Silbak Premier	400	.60	.70	.70	.70
No	.02	.00½	Silvercrest	——	(.... bid .01 asked)			
1	.05	.05	Sunloch	——	(.05 May 11)			
50c.	.11½	.05	Surf Inlet	968	.09	.10½	.07	.09
No	.03	.02	Taylor Bridge	——	(.02 bid .... asked)			
No	.08	.02	Vidette Gold	——	(.04 May 7)			
20c.	.01½	.00½	Wellington	——	(.00½ bid .... asked)			
50c.	.00½	.00½	Wesko	——	(.00½ Apr. 16)			
1	.04	.01	Whitewater	——	(.01 bid .03 asked)			
No	.07½	.04	Ymir Yankee Girl	——	(.03½ bid .05 asked)			

Oil Quotations

Par Val.	Range 1940 High	Low	Company	Sales	Close July 29 (or last)	High for week	Low for week	Close Aug. 5
1	.22	.08	Alta. Pac. Cons.	......	(.09 bid .... asked)			
1	.00½	.00½	Amalgamated	......	(.... bid .00½ asked)			
No	1.02	.45	Anglo Canadian	4,700	.55	.59	.54	.54½
No	.07½	.03	Anaconda	......	(.03½ bid .04 asked)			
No	.13	.08½	Brit. Dominion	......	(.10 May 6)			
No	.18½	.06	Brown Oil	......	(.08 bid .09 asked)			
No	2.33	1.00	Calgary & Ed.	840	1.35	1.40	1.32	1.33
1	.46	.18	Calmont	800	.26	.26	.25	.26
No	.32	.17	Commoil	......	(.23 bid .... asked)			
1	.29	.16	Commonwealth	100	.21	.20	.20	.20
No	.50	.20	Dalhousie	......	(.23 bid .... asked)			
No	.31	.15	Davies Pete	......	(.... bid .... asked)			
No	.08	.02½	East Crest	......	(.00½ bid .04 asked)			
No	.26	.15	Extension	1,000	.19	.19	.19	.19
25c.	.08½	.05	Firestone	......	(.05 bid .... asked)			
No	1.05	.38	Foothills	100	.45	.50	.50	.50
25c.	.10	.10	Foundation Pete	......	(.10 Apr. 9)			
No	.12	.08½	Four Star	2,500	.09½	.10	.09½	.10
No	.17	.07½	High Sarcee	......	(.08 bid .... asked)			
No	3.10	1.31	Home Oil	2,000	1.65	1.70	1.60	1.60
1	.03	.01½	Madison	......	(.01½ bid .... asked)			
No	.04½	.00½	Marjon Oil	2,000	.01	.01	.01	.01
No	.15	.06	McD. Segur Ex.	......	(.06 bid .07 asked)			
No	.08	.05	McLeod	......	(.05 Mar. 4)			
No	.07½	.03	Mercury	......	(.03½ bid .05 asked)			
No	.07½	.04½	Mill City Oil	......	(.04½ bid .... asked)			
1	.31	.12	Model	400	.15	.18	.16	.18
25c.	.08½	.04	Monarch Royal	50	.06	.04	.04	.04
No	.21	.05	National Pete	......	(.... bid .05 asked)			
1	.05	.04	Nordon	......	(.04 Apr. 20)			
No	1.31	.58	Okalta	600	.74	.75	.71	.71
No	.05½	.03	Pacalta Oil	......	(.03 July 12)			
1	.42	.19	Pacific Petroleums	1,240	.25	.25	.25	.25
25c.	.25	.12	Prairie Royal	200	.15	.12	.12	.12
No	.19½	.12½	Royal Canadian	5,000	.14½	.14½	.13½	.13½
No	.10½	.06	Royal Crest	......	(.06½ bid .08 asked)			
No	36.00	15.00	Royalite	12	17.00	24.00	23.50	24.00
No	.07½	.03	South End	......	(.03½ May 10)			
No	.60	.21	Southwest Pete	......	(.20 bid .... asked)			
1	.06	.05	Spooner	......	(.02 bid .... asked)			
25c.	.38	.18½	Sunset Oil	......	(.23 bid .... asked)			
No	.09	.03½	United	......	(.04½ bid .... asked)			
No	.67	.03½	Vanalta	......	(.03 bid .... asked)			
1	.63	.23	Vulcan	......	(.25 bid .... asked)			
No	.05	.03	West Flank	......	(.05 May 11)			

* 1939 Quotations

Winnipeg Stocks

(Transactions from July 27 to Aug. 1)

	Sales	High for period	Low for period	Close Aug. 1
Beresford Lake	5,000	.01¼	.01¼	.01¼
Sachigo River	100	1.25	1.25	1.25
Western Brew	100	1.60	1.60	1.60
Western Steel	113	8.00	7.00	7.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Federal Grain, p.	26	..
Beav. Lumber, c.	..	4	Nor. C. Mtge., p.	5	..
Beav. Lumber, p.	100	102	Nor. Mtge. pt. pd.	1¼	..
Can. Airways	1	..	Nor. Trusts	..	6
Can. Indemnity	120	..	West. Brew.	1⅝	..
Dom. Envelope, c	..	7½	West. Grain, p	..	6¾
Federal Grain, c.	⅝	1¼	West. Steel, p.	5½	8

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 6	5,801	3,647	64,000	......
Aug. 5	3,800	900	Holiday	11,715
Aug. 3	2,400	1,900	......	5,733
Aug. 2	7,400	1,400	88,000	11,060
Aug. 1	7,700	5,100	79,000	6,341
July 31	15,700	9,900	162,000	29,360

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Aug. 7, 1940

%	Due	Bid	Ask.	Yld.
4½	Sept. '40	100	100½	...
1	Mar. '41	99½	100½	.60
5	Nov. '41	104½	104½	1.20
1½	May '42	100	100½	1.21
2	June '42	100½	101½	1.36
3	Oct. '42	102½	103½	1.57
2½	June '43	101½	102½	1.68
5	Oct. '43	108½	109½	1.94
2	June '44	99½	100½	1.86
a2½	Jan. '44	84½	85½	‡7.35
4½	Oct. '44	108½	109	2.25
2½	Nov. '44	101½	102	2.01
a2½	Aug. '45	81	82	‡6.77
4	Oct. '45	105½	106	b2.08
4½	Feb. '46	109½	110	2.56
3½	June '49	101½	102½	b2.83
3½	Oct. '49	102	102½	b2.80
3½	Nov. '51	99½	100½	b3.22
3½	Feb. '52	99½	100½	b3.21
a5	May '52	90	91	‡6.07
4	Oct. '52	104½	105	b3.22
3	June '55	96½	97½	3.21
4½	Nov. '56	106½	107½	b3.22
4½	Nov. '57	106½	107½	b3.34
3	June '58	96	96½	3.24
4½	Nov. '58	107½	108½	b3.31
4½	Nov. '59	108½	109	b3.36
a4	Oct. '60	80	81½	‡5.54
a3½	Jan. '61	72½	74	‡5.35
3½	June '66	98½	99	3.31
a3e	Jan. '67	70½	72	‡4.90
a3e	Nov. '68	70½	71½	‡4.84
†3	Perpet'l.	88½	89½	3.36

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Yld.
2	Feb. '43	100½	100½	1.70
2½	Jan. '46	99	99½	2.30
3	May '44	102½	103½	2.00
3	Dec. '50	97	98	3.22
3	Feb. '53	96½	97½	3.27
3	Jan. '59	95	96	3.29
*4½	Sept. '51	110½	111½	3.29
*4½	Feb. '56	111½	112½	3.45
4½	July '57	111½	112½	3.50
*4½	June '55	113½	114½	3.48
5	Feb. '54	114½	115½	3.55
*5	July '69	111½	112½	b2.85
*5	Oct. '69	115½	116½	b3.37
*5	Feb. '70	115½	116½	b3.43

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Yld.
3	Jan. '62	95½	96½	3.24

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Yld.
New Brunswick:				
3	Oct. '51	80	83	4.96
3½	Aug. '49	83	86	5.22
3½	June '56	80	83	5.06
c4	Nov. '47	92	95	4.82
c4½	Apr. '61	93	96	4.80
c5	Jan. '60	96	99	5.06
Nova Scotia:				
3	Jan. '52	90	92	3.87
3½	June '56	90	92	3.93
3½	Nov. '50	94½	96½	3.91
c4½	Sept. '52	102½	104½	b3.77
c4½	Nov. '60	103	105½	4.10
c5	Mar. '60	109	110½	4.20
Ontario:				
2½	May '45	99½	100½	2.39
3	Apr. '48	97½	98½	3.22
3	Nov. '50	96½	97½	3.29
3½	Nov. '51	98½	99½	3.30
3½	May '55	97½	98½	3.38
*4	June '62	102	104	3.73
4½	June '50	108½	109½	3.39
*4½	Jan. '62	108	110	3.82
5	Oct. '48	110½	111½	3.42
*5	Dec. '60	114½	116½	3.83
5½	July '46	110½	111½	3.34
Ont. Hydro Commission:				
3	Aug. '48	97	98	3.29
3½	Feb. '53	98½	99½	3.32
3½	Apr. '47	100½	101½	3.25
Prince Edward Island:				
3	Oct. '45	92	95	4.08
Quebec:				
3	Nov. '47	94	95	3.78
3½	Mar. '48	94½	96	3.86
3½	Mar. '54	91	92	4.02
3½	Mar. '59	91	92½	4.08
4	Mar. '52	98½	100½	3.95
4½	Aug. '58	100	101½	4.13
4½	Jan. '63	102	104	4.22
Alberta:				
4	Dec. '54	53½	57½	d
4½	Oct. '51	60	..	d
c4½	Oct. '58	55	59	d
*5	Oct. '59	57	61	d
c5½	Apr. '52	61½	65½	d
6	Mar. '47	64	68	d
British Columbia:				
c4	Dec. '57	92	96	4.33
*4½	Jan. '51	96	100	4.50
c4½	Oct. '53	96	100	4.50
c5	Apr. '54	101	103	4.51
5½	Feb. '45	101	103	4.36
6	Feb. '47	102	106	4.91
Manitoba:				
c4	Dec. '57	84	88	5.04
c4½	Dec. '56	85½	89½	5.47
*5	Dec. '59	89	93	5.60
5½	Oct. '55	91½	95½	5.95
6	Apr. '47	97	101	5.81
Saskatchewan:				
4	Sept. '54	70	74	6.85
4	Nov. '60	69	73	6.37
c4½	Oct. '51	82	86	6.22
c4½	Mar. '60	72½	76½	6.67
5	Aug. '58	75½	79½	7.02
5½	Oct. '52	80	84	7.30
6	Mar. '52	83½	87½	7.85

*Payable Can., N.Y. & £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 6, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	17½	22
Andian National	27	29
Anglo C. Tel., A	7½	8½
Atlas Steel	12½	..
Barymore, pfd.	24	..
Blue T. Brew. B	3½	4½
B. C. Pulp, c.	12	14
Do., pfd.	40	50
B. C. Sugar	75	78
Burns & Co., A	4½	6
Do., B	2½	3½
Can. G'drich, c.	1½	..
C. I. L., A c.	186	195
Can. Ing. Rand	66	70
Can. Tube, 1st p	65	75
Chase, A. W., p.	17	..
Claude Neon, p.	5½	7
Colonial Steam.	13	15
Cope. Flour unit	15	20
Dom. Manuf., p	60	65
Dunlop T. p. $25	21	23
Easy Wash. p $10	7½	9
Goderich Elev.	7	8
Guard. Realty p	16½	20½
Guelph Carp., p	97	102
Do., com.	15	18
Hayes Steel, c.	1½	1½
Hi'land Dairy, p	45	52½
Inglis, John, c.	4	7
Ingram & Bell	21½	25
Kingston Sh. un	21	24
Loblaw Inc., c.	11½	12½
Morrison Br. un	6½	8
M'row Screw, p.	98	..
Do., com.	7	..

	Bid	Ask.
Neilson, Wm., c.	8½	..
Do., pfd.	99	..
N. B. Tel., c.	12	14
N. Meth. Ldy. p	..	58
Office Spec., pf.	65	..
Paterson Wm. p	100	..
Prov. Paper pfd	98	101
Rob'tson P. L. p	94	..
Rob. Cons. Cone	5	7
Ruddy, E. L., p.	23	27
Seal O Sac (Can.)	1	2
Stand. Fuel, pfd	50	58
Stedman pf. $50	53	58
Tor. Carpet, c.	25	30
Do., pfd.	55	60
Un. F. Co-op.	2	3½
Un. Steel, A pf.	20½	22½
Viceroy p. & rts	25	..
Trusts & Loan Stocks:		
Brit. Mtge.	145	152
Capital Trust	25	30
Com. Fin., c.	2½	3½
Grey & B. Tr $50	42	46
Guaranty Trust	..	94
Guelph & C. $50	50	55
Lambton Loan	31	34½
London & West.	35	40
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Traders Fin. A c	8	11
Do., A pfd.	75	80
Trusts & Guar.	24	26
Victoria Trust	70	80
Insurance Stocks:		
Brit. Amer.	51	57
Canada Life	410	445

	Bid	Ask.
Confed., 30% pd	130	140
Crown, fully pd	240	280
D. of Can. Gen.	100	112
Dominion Fire	130	..
Empire, 25% pd.	5	7
Excelsior 36% pd	57	63
Federal 25% pd	50	..
Great-West Life	215	230
Imperial Life	280	300
Manufac. Life	220	245
Sov. L. 25% pd.	13	15
Sun Life	270	300
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	41	44½
Do., pref.	40	43
Theatre Stocks:		
Allens, King., p.	60	62½
Do., Lond., p.	53½	56
Do. St. Cath. p	51	55
Do., Tor., p.	32	36
Mansf. Theat., p	27	31
Para. Kitch., p.	51	56
Do. Oshawa, c	9½	11½
Investment Trust Shares:		
Can. Investors	7	8
Deb. & Sec., pf	60	..
Sec.'s. Hold., p.	17	23
United Corp., A	17	19
Do., B	4	6
Power Issues:		
Can. W. N. Gas	94	97
Do., pfd.	25	..
Gt. Lakes Pr., p	98	102
Mtl. Is. Pwr., p.	17	20
Nor. Ont. Pr., p	88	92

Unlisted Mines

Toronto, Aug. 6, 1940

	Bid	Ask
Acordia	.25	.27
Addington	.01½	.02
Albany R	.07	.09
Amal Kir	.06½	.06½
Anoki	.06½	.07½
Arjon	.02	.04
Armistice	.01½	.02½
Argosy	.04	.05
Area	.03	.03½
Arno	..	.02
Athona (Old)	.01	.02
(New)	.01½	.02½
Barb Lard	.01½	.02½
Bilmac	.01	.02
Buff Bear	.01	.02
Calder Bo	.01½	.03
Central M	.02	.03
Cheminis	.02½	.03
Coin Lake	.02	.03
Cons Chib	.02½	.03½
Crescent	.00½	.01½
Dayton	.01½	.03
Demp Cad	.0½	.01½
Desants n	.08	.10
Dona Pat	.03	.05
E Lacoma	.0½	.01

	Bid	Ask
Elmos	.06	.08
Franco	.28	.31
Galore	.01½	.02½
Gate Pat	.00½	.01
Gilbec	.00½	.01
Gordon Lb	.01	.01½
Hiawatha	.05	.08
Hoyle nw	.16	.18
Hugh PaP	.01½	.02½
Hutch Lkt	.01	.02
Jolliette	.02	.03
Keora	..	.02
Kenricia	.02	.03
Kewaga'a	..	.01½
Kiena	.09	.10½
Kirk Gate	.01	.02
Lacoma	.01	.01½
Lake Duf	.15	.17
Lake Gen	.03	.07
Lw Pete	.12	.17
Mag Con	.68	.71
Magnet L	.13	.16
Magwell	.02	.05
Martin Br	.03	.04
Margaret	.04	.07
Mata Cana	.03	.05
Mof Hal n	.01	.02

	Bid	Ask
Mooshla	.01½	.02½
Mosher	.07	.09
Nat Mal	.28	.31
Negus	.40	.55
New Roy	.00½	.01
Nickel O	.80	.90
Norbeau	.13	.19
Norlake	.01	.02
North American Moly'm	..	.19
Norwin	.10	.12
Oklend	.04	.05
O'Leary	.01	.02
Opemiska	.01	.03
Oriole	.01	.01½
Orpit	.01	.02
Ossian	..	.02
Pacsack	.04	.06
Pascalis	.16½	..
Phoenix	.02	.03
Pontiac Rouyn (Old)	.02	.04
Pelangio	.00½	.01½
Polaris	.22	.27
Porc Lke	.02	.03
Privateer	.43	.46

	Bid	Ask
Propri'y	1.30	1.60
Preador	.01½	.02½
Queb Man	.04½	.07
Rahn Lke	.04½	.05½
Red Lake	.01½	.01½
Sachigo	1.00	1.75
Senore	.08	.11
Shenango	.03	.03½
Sheldon	.02½	.04
Siscoe Ex	.01½	.02½
Skynner	.02	.03
Smelt Gd	.00½	.00½
Spooner	.02½	.03½
Sunbeam	.03	.05
Springer	.03½	.04
Stadacona	.05½	.07
Thomson	.12½	.14½
Thomp Cd	.03	.05
Treaty P	..	.23
Union Min	.02½	.03½
Wasu	.04	.06
West Red	.01½	.02½
Winoga cum rts	.02	.03
Woco	.05	.08
Y David'n	.19	.23

Montreal, July 30, 1940

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Cad Exp	.02	.04	Cournor	.07	.10	Obalski	.03	.04	Scott Ch	.01	.02
Chibmac	..	.02	Dubisson	.07	.10	Pan Can	.02	.04	Westwd C	.01	.0½
C Pand'ra	..	.02	L Rowan	.02	.03						

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 6, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 6	Asked	Bid July 30
†Assoc. Tel. & T.	5½	'55	73	77	72½
B. C. Power	4½	'60	94½	98½	94
B. C. Tel.	4½	'61	101	105	100
†Calgary Pwr.	5	'60	103	107	102
Do.	5	'64	102	106	100
†Can. Nor. Pwr.	5	'53	104½	108½	104
*Dom. Gas & El.	6½	'45	96	100	96
Gatineau Pwr.	5	'49	101	105	100½
Do., B.	3½	'69	95	99	94
Gt. Lakes Pwr.	4½	'56	95½	99½	95
*Int. Hydro-E.	6	'44	72½	76½	73
▲Inter. Power	6	'55	99½	103½	99
Macl'n-Que. Pr.	4	'59	90½	94½	90
Mtl. L. H. & P.	3½	'56	96	100	96
Do.	3½	'73	92	96	91
†Mtl. Tramways	5	'41	89	93	89
†Do.	5	'55	57½	61½	57
Nat. Lt. & Pwr.	6	'49	94	98	94
N. S. Lt. Pr.	4	'57	97	101	97
Ottawa H. & P.	4	'57	97	101	96½
Ottawa V. Pwr.	5	'59	101	105	100
†Power Corp.	4½	'59	95	99	95
Quebec Pwr.	4	'62	96½	100½	96
*Saguenay P., A.	4½	'66	103	107	103
▲Do., B.	4½	'66	101	105	102
Shaw. W. & P.	4	'61	98	102	98
Union Gas	4½	'50	99	103	100
United Secs.	5½	'52	55	59	55
Wpg. El., ser. A	4	'65	69	73	70
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	56½	60½	57
Acadia Sugar	4½	'55	98	102	98
†Alta. Pa. Grain	6	'46	92	96	90
Atlantic Sugar	4	'51	97	101	97
†B. C. P. & Pap.	6	'50	79	83	79
*Brown Co.	5½	'46	43½	47½	46
Burns & Co.	5	'58	58	62	58
Canada Bread	6	'41	99	103	99
Canada Cement	4½	'51	101	105	100½
Can. Paper	4½	'52	98	102	98
Can. Steamship	5	'57	92	96	92
Can. Canners	4	'51	97½	101½	97
*Can. Int. Paper	6	'49	98	102	98
C. P. R.	3½	'51	83½	87½	84
Do.	4	'49	88	92	87
Do.	4½	'44	93	97	93
Do.	6	'42	101½	105½	101½
†Consol. Paper	5½	'61	59½	63½	59½
Dom. Coal	4½	'52	98½	102½	98½
Dom. Stl. & Co.	6½	'55	102	106	101
Dom. Tar	4½	'51	98	102	97½
†Donnacona P.	4½	'56	75	79	75
Famous Players	4½	'51	97½	101½	97½
†Federal Grain	6	'49	92	96	92
†Fraser Cos.	6	'50	92	96	90½
Gen. Stl. Wares	4½	'52	95½	99½	94
*Great L. Paper	5	'55	88	92	87
†Gypsum, Lime	5½	'48	88	92	86
Ham. By-Pr. C.	5	'55	99½	103½	99
Inter.-City Bak.	5½	'48	100	104	100
*Inter. P., Nfld.	4½	'68	87	91	86
Lake St. J. P.	5½	'61	84½	88½	84
Maple Leaf M.	3	'58	66½	70½	65
Massey-Harris	4½	'54	84½	88½	83½
McColl-Fron.	4½	'49	98½	102½	97½
McCormick's	4	'52	90	94	90
*M. & O. Paper	6	'45	42	46	40
Nat. Grocers	4	'47	99½	103½	99
N. S. Stl. & Co.	3½	'63	77½	81½	77
Price Bros.	5	'57	92½	96½	92
*Prov. Paper	5½	'47	102½	106½	102½
Reliance Grain	4½	'52	90	94	90
†Restigouche Co.	6	'48	92	96	90½
Rolland Paper	4½	'51	100½	104½	100
Simpson's Ltd.	4½	'51	98	102	98½
Smith, Howard	4½	'51	100	104	99½
*United Gas	5½	'48	102	106	102
United Gr. Grs.	5	'48	95	99	95
†Western Grain	6	'49	37½	41½	38

*Payable in Canada, or U. S.
†Payable in Can., U. S., or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.
▲Payable in Canada only.

Municipal Bonds

Aug. 6, 1940

†Halifax	5	1961	103.00	107.00	4.43
Hamilton	5	1950	109.50	112.00	3.53
Montreal	5	1945	90.00	93.00	6.83
Ottawa	4½	1945	104.35	106.35	3.10
†Quebec	5	1959	102.00	106.00	4.53
Saint John	5	1950	99.00	102.00	4.75
†Toronto	4½	1955	107.00	109.50	3.65
†Vancouver	5	1950	94.00	98.00	5.27
Winnipeg	5	1944	97.00	101.00	4.70

†Payable Can. and N. Y.

Mining Dividends

		Close Aug. 5	Yield %
Beattie Gold	‡8c	.79	..
Bralorne	80c+40c	8.50	*14
Buffalo Ankerite	‡31c	3.05	..
Bulolo Gold	$3	13.50	22
Can. Malartic	‡6c	.40	..
Cariboo Gold	16c+6c	1.95	*11.3
Central Patricia	16c+6c	1.80	*12.2
Coniagas	‡25c	1.30	..
Coniaurum	16c	1.13	14.1
Cons. Smelters	$1+$1	35.00	5.7
Delnite	†3c	.50	..
Dome Mines	$2	19.75	10.1
East Malartic	‡20c	2.80	..
God's Lake	2½c	.31	..
Gold Belt	†2c	.16	..
Gunnar Gold	6c	.36	16
Hallnor	60c	5.50	10.9
Hard Rock	‡9c	.71	..
Hedley Mascot	‡6c	.30	..
Hollinger	65c+45c	11.00	*10
Howey Gold	‡2c	.23	..
Hudson Bay	$1.75	23.50	6.1
Inter. Nickel, com.	$2	34.00	5.8
Island Mountain	‡8c	.64	..
Kerr Addison	5c	2.15	..
Kerr Lake	‡5c	.30	..
Kirkland Lake	10c+2c	.90	13.3
Kootenay Belle	‡10c	.30	..
Lamaque Gold	40c+10c	4.95	*10.1
Lake Shore	$2	19.50	10.3
Leitch	8c	.52	15.3
Little Long Lac	30c	2.15	14
Macassa	32c	3.20	10
Madsen R. Lake	†3c	.32	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	12c+2c	.95	*14.7
McWatters	10c	.27	..
Moneta	12c	.45	..
McIntyre Porc.	$2+$1	41.50	*7.2
MacLeod Cockshutt	†10c	1.55	..
Nipissing	15c	.85	..
Noranda	$4	53.50	7.4
North Empire	‡40c	7.25	..
O'Brien Gold	‡5c	.85	..
Pamour Porc.	12c	1.00	12
Pato Cons.	20c	1.75	11.4
Paymaster	2c	.20	..
Perron Gold	16c+4c	1.45	*13.7
Pioneer, B.C.	40c	1.95	20.5
Pickle Crow	40c	2.65	13.5
Placer Develop.	$1.20	9.50	12.6
Premier	12c	.78	15.4
Preston E. Dome	‡15c	1.75	..
Privateer Mine	‡13c	.45	..
Powell Rouyn	20c	.67	..
Quebec Gold	‡2c	.25	..
San Antonio	14c+3c	1.70	*10
Sheep Creek	16c+2c	.84	*21.4
Sherritt Gordon	†5c	.65	..
Silbak Prem.	16c	.70	22.8
Siscoe	12c+1c	.64	*20
Sturgeon River	‡2c	.10	..
Sudbury Basin	‡12½c	1.05	..
Sullivan Cons.	‡6c	.60	..
Sylvanite Gold	20c+5c	2.25	*11.1
Teck-Hughes	40c+5c	3.15	*14.2
Toburn	8c+8c	1.25	*12.8
Upper Canada	†3c	.76	..
Ventures	15c	2.20	..
Waite Amulet	†10c	3.10	..
Wright-Harg.	40c+30c	5.80	*12

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.39	2.62
Can. Amer. Trust	2.90	..
Can. Inv. Fund	3.10	3.50
All Can. Trustee	9.25	10.00
Grouped Income	4.45	5.15
Trans-Canada Shs.	10.00	11.00

Bond Sales

Beamsville, Ont.

Tenders received by the village of Beamsville for $11,000 of 3½%, 10-year serial debentures, maturing in equal amounts from 1941 to 1950 inclusive, were as follows:

	Bid
J. L. Graham & Co.	100.77
Seagram, Harris & Bricker	100.63
Wood, Gundy & Co.	100.61
Dyment, Anderson & Co.	100.51

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	40c	Sept. 2	Aug. 15
Do., bonus	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 16
Anglo-Candn. Tel.	15c	Sept. 3	Aug. 15
Assoc. Brew.	25c	Sept. 30	Sept. 14
Do., pref.	$1.75	Oct. 1	Sept. 14
Aluminium, c.	$1.50	Sept. 5	Aug. 20
Do., pref.	†$1.50	Sept. 1	Aug. 15
Beattie Gold	*4c	Sept. 20	Sept. 9
Borden's	30c	Sept. 3	Aug. 15
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Blue Ribbon pf.	62½c	Aug. 1	July 25
Bank of Montreal	$2	Sept. 3	July 31
Bank of Toronto	$2.50	Sept. 3	Aug. 15
Brown Oil pf.	$1.50	Aug. 28	Aug. 3
Can. Converters	50c	Aug. 15	July 31
Coniaurum Mines	4c	Sept. 25	Sept. 14
Canadian Oil, c.	12½c	Aug. 15	Aug. 1
Do., extra	12½c	Aug. 15	Aug. 1
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Can. Starch, pref.	$3.50	Aug. 15	Aug. 8
Comm'wealth Intnl.	4c	Aug. 15	July 15
Commoil	1c	Aug. 29	Aug. 15
Cosmos Imperial, c.	30c	Aug. 15	July 31
Calgary & Edm.	*10c	Sept. 30	Aug. 31
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	25c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Comm. Alcohols, p.	10c	Oct. 15	Sept. 30
Crown Cork	50c	Aug. 15	Aug. 10
Can. Malartic	2c	Sept. 26	Sept. 5
Corporate Investors	5c	Aug. 15	July 30
Can. Fairbanks-M.	50c	Aug. 15	July 31
Dom. Ang. Inv. pf.	$1.25	Sept. 3	Aug. 15
Dominion Bridge	30c	Aug. 24	July 31
East Malartic	10c	Aug. 31	Aug. 1
Easy Washing, pf.	17½c	Aug. 15	July 31
Extension Oil	1½c	Aug. 21	Aug. 15
Four Star Pete.	1c	Aug. 15	July 20
Granby Cons.	†15c	Sept. 3	Aug. 16
Gen. Stl. Wares, p.	$1.75	Aug. 20	Aug. 10
Do., partic.	25c	Aug. 20	Aug. 10
Gurd, Chas., p.	$1.75	Aug. 15	Aug. 1
Hedley Mascot	2c	Aug. 15	July 24
Hollinger Cons.	5c	Aug. 12	July 29
Do., extra	5c	Aug. 12	July 29
Hallnor Mines	15c	Sept. 4	Aug. 15
Inter. Nickel	†50c	Sept. 30	Aug. 31
Kerr Lake M.	†5c	Aug. 29	Aug. 20
Kirkland L. Gold	5c	Nov. 1	Sept. 30
Do., extra	1c	Nov. 1	Sept. 30
Lake of W. Mill., p.	$1.75	Sept. 2	Aug. 27
Leitch Gold	2c	Aug. 15	July 31
Little Long Lac	10c	Aug. 20	Aug. 5
Loblaw Groc., A. B	25c	Sept. 3	Aug. 10
Loblaw Groc. Inc.	†20c	Aug. 21	Aug. 15
Montreal Loan	31¼c	Sept. 16	Aug. 31
McIntyre Porc.	†50c	Sept. 3	Aug. 1
Nat. Biscuit	†40c	Oct. 15	Sept. 16
Do., pref.	†$1.75	Aug. 31	Aug. 16
Noranda Mines	$1	Sept. 16	Aug. 17
N. Scotia L. & P.	$1.50	Sept. 3	Aug. 15
Ontario Steel	75c	Aug. 15	Aug. 6
Do., pref.	$1.75	Aug. 15	Aug. 6
Press Metals	†25c	Sept. 3	Aug. 15
Penmans	75c	Aug. 15	Aug. 5
Privateer Mines	3c	Aug. 19	July 30
Prov. Bank	$1.50	Sept. 1	Aug. 15
Paton Mfg.	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
Photo Engravers	50c	Sept. 3	Aug. 15
Prov. Transport	20c	Aug. 15	Aug. 5
Quebec Power	25c	Aug. 26	July 22
Riverside Silk	50c	Oct. 1	Aug. 13
Remington Rand	20c	Oct. 1	Sept. 10
Do., pref.	$1.12½	Oct. 1	Sept. 10
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 2	Aug. 15
Royal Bank	$2	Sept. 2	July 31
South. Can. Pr.	20c	Aug. 15	July 31
Shawinigan Pr.	23c	Aug. 26	July 24
Stuart, D. A. Oil, p.	20c	Sept. 3	Aug. 15
Surf Inlet	1½c	Sept. 16	Aug. 16
Teck-Hughes	*10c	Oct. 1	Sept. 16
Do., bonus	*5c	Oct. 1	Sept. 16
Toburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
Union Gas	20c	Sept. 14	Aug. 14
United Corp. "A"	28c	Aug. 15	July 31
Upper Can. Mines	23c	Aug. 21	Aug. 15
United Fuel, A., p.	75c	Oct. 1	Sept. 20
Walker-Good.	$1	Sept. 15	Aug. 23
Do., pref.	25c	Sept. 15	Aug. 23
Weston, Geo., c.	20c	Oct. 1	Sept. 12
Wr. Hargreaves	†10c	Oct. 1	Aug. 22
Do., bonus	†5c	Oct. 1	Aug. 22
Wiltsil	25c	Oct. 1	Sept. 14
York Knitting	10c	Aug. 15	Aug. 8
Do., 1st pref.	$3.50	Aug. 15	Aug. 8
Do., 2nd pref.	$3.50	Aug. 15	Aug. 8

†Payable in U. S. funds §Initial. *subject to approval by Foreign Exchange Control Board.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 309

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this institution has been declared for the current quarter, payable on and after TUESDAY, the THIRD day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1940.

By Order of the Board

JACKSON DODDS G. W. SPINNEY
General Manager General Manager

Montreal, 19th July, 1940.

[illegible]END NOTICES

[illegible]E GOLD M[illegible]

[illegible] Limited

[illegible] that the interim [illegible] payable in [illegible] declared by [illegible] Mines Limited [illegible] payable Sep- [illegible] record [illegible] 1940.

[illegible] of the Board.

J. E. BRADFIELD, Secretary.

Toronto, Ont., July 31st, 1940.

DIVIDEND NOTICE

[illegible] COMMON, LIMITED

NOTICE is hereby given that an Interim Dividend [illegible] per value [illegible] of the Company [illegible] books of the [illegible]

[illegible] McKAY [illegible]

July 31, 1940.

Elevators Push Extra Storage Plan in West

Companies Ready to Spend $2 Millions to Build Big Annexes

From Our Own Correspondent

WINNIPEG. — Approximately $2 millions will probably be spent within the next few weeks by elevator companies in western Canada to build additional storage capacity at country elevator points, to house perhaps 25 million additional bushels of grain.

Single bin annexes, capable of holding 20-30,000 bushels, will be the form usually adopted. Such bins will be filled by spouting grain from the main elevators, usually with machinery already installed.

Many will be emptied when the time comes, by the use of hand labor and teams, while others will be provided with machinery by which grain can be conveyed back into the main elevator for shipping.

Hard to Get Lumber

When the elevator companies began placing orders for lumber, they found it impossible to be sure of delivery of more than a fraction of their requirements, on account of preoccupation of British Columbia mills with war orders. Representatives of the different elevator organizations, including the Northwest Line Elevator Association, pool elevator companies, and United Grain Growers Ltd., have been in Ottawa, negotiating with the Government and with the timber controller to get priority in orders.

This, it is understood, has been arranged, and building will now go ahead, with the speed of the programme limited only by the difficulty of getting experienced labor.

Advantages of Plan

Several advantages are seen in the type of construction planned. The same amount of lumber will build storage for more grain when used for large bins than when scattered in small bins on individual farms.

When grain is once housed in such structures it can be fully financed, without the difficulties which attend making advances on farm store grain. In addition the same storage may be used to serve the needs of different farmers at different times.

While farmers have been urged to built storage bins on their farms, it is doubted if new farm granaries can be built to accommodate anything like the quantity of grain that will have to be left on farms. Some farmers are planning to stack grain, but the number of men in the West with skill to build satisfactory stacks is said to be very limited. Improvised bins will be used on many farms, enclosed by wire supported by stakes, and lined inside with tar paper and straw.

OTTAWA STUDIES PROBLEM

From Our Own Correspondent

OTTAWA—Arrangements are under consideration by the Canadian timber controller, H. R. MacMillan, to release lumber from war stocks for construction of extra storage annexes for western elevators.

The Line Elevators and the United Grain Growers have undertaken to provide storage in annexes to handle up to 10 million bushels of wheat, and the western wheat pools have undertaken to add annexes to their elevators to take care of 15 million bushels.

[illegible]ada is Increasing [illegible] Oil Production

[illegible] Own Correspondent

[illegible] — Canada will ex[illegible] for manufacturing [illegible] year to an esti[illegible]llons, compared [illegible]uction of 60,000 [illegible]

[illegible] principal com[illegible]dland and Cana[illegible]ve been elimin[illegible]ces for the prod[illegible]d on world mar[illegible]ded that supply [illegible] short of the de[illegible]

[illegible] plants have been [illegible] medic[illegible] being [illegible] Columbia. [illegible] facilities it is [illegible] will be able to [illegible] requirements for the [illegible] permanent in[illegible] for fu[illegible]

Pay Rather Than Storage Held Main Wheat Problem

From Our Own Correspondent

MONTREAL. — Canada's current wheat problem is a matter primarily of how to find a satisfactory means to pay the farmer for the wheat so held on the farm rather than of constructing physical storage facilities, according to one well informed observer here. The problem is to find storage in such location and condition that farmers can be paid for their wheat.

In the event of a serious glut of wheat, the suggestion is being made that the western farmer may revert to the practice followed in the days before elevators, namely, stacking in the field. This method is still followed in Europe. Its abandonment in western Canada came when the elevators were built as a means of enabling the farmer to receive quick cash returns for his crop. In turn, the railways needed money and so encouraged the building of country elevators all along their lines.

The principal objection to stacking wheat is the difficulty in telling the quantity or grade of the wheat.

Status of Storage Capacity

The situation in respect to wheat in storage and elevator capacity is set out in the following tables:

Elevator Capacity and Crop

Carryover in Canada—July 26, 1940	256,000,000
Estimated 1940-41 crop	400,000,000
Total supply	656,000,000
Domestic consumption of wheat	120,000,000
Available for export	536,000,000
Net elevator capacity*	382,000,000
Storage deficiency	154,000,000

*Gross elevator capacity of 425,000,000 minus 10% for working space.

Canadian Wheat in Store

	As at July 26/40	As at July 28/39	As at July 29/38
	(In thousands of bushels)		
Country elevators	53,420	8,685	1,575
Interior private and mill	5,854	5,815	1,060
Public and semi-public terminals	13,458	3,240	11
Vancouver, Vic., New West., Pr. Rup.	17,655	6,295	75
Churchill	2,495	2,232	12
Fort William and Port Arthur	78,528	14,210	7,615
In transit lakes	2,066	5,820	1,136
In transit rail	23,714	4,399	1,636
Eastern elevators—lake ports	38,893	27,631	2,991
St. Lawrence and seaboard ports	20,653	19,155	2,015
Total in Canada	256,136	89,282	18,726
Can. wheat in U. S. lake ports, seaboard ports and in transit	25,223	6,567	983
Total Can. wheat in Canada and U. S.	281,359	95,849	19,709

Block Renewal Farm Debt Act

Parliamentary Deadlock Prevents Revival of Statute in Manitoba

From Our Own Correspondent

OTTAWA.—Failure of the House of Commons to agree to amendments sought by the Senate in the Farmers Creditors Arrangement Act has frustrated efforts for this session to re-establish the act in Manitoba. It will continue, as previously, in the provinces of Saskatchewan and Alberta.

In considering amendments by the House of Commons to revive the act in Manitoba, the Senate inserted clauses providing for appeals to the provincial courts of appeal. Such provision, Hon. J. L. Ilsley, Finance Minister, said, was not acceptable to the House of Commons.

Several Alternatives

The Manitoba Government, it is known, has considered several alternatives of debt protection for its farmers. Originally, Manitoba sought to create a branch of the King's Bench Court as a land court to handle farm applications for re-adjustment. Then when Parliament enacted the Central Mortgage Bank Act last year, Manitoba came out strongly for it.

But on outbreak of war the mortgage bank scheme was shelved for the duration. As a result, Manitoba applied for a revival of the Farmers' Creditors Arrangement Act. Whether or not the Manitoba Government will now resort to a moratorium is not known in Ottawa, but the possibility is believed to exist.

Flour Output Drops Slightly

June Production Declines from Same Month Last Year

From Our Own Correspondent

MONTREAL.—Slight decrease in June flour production interrupted 22 consecutive monthly increases in output over the corresponding figures in previous years.

According to preliminary figures of the Dominion Bureau of Statistics, June output totalled 1.2 million bbls., decline of 17,637 bbls. from June, 1939.

Since the middle of 1938, flour production has shown a steady and decided upturn. In October last year total reached 2.1 million bbls., the highest for any month since November, 1928, when output totalled 2.2 million bbls.

Drops from May

June production was 112,762 bbls. lower than in May, but this is accounted for by the seasonal decline.

There were 5.3 million bushels of wheat ground in Canadian mills during June, against 5.5 million bushels in June, 1939.

Stocks of mill wheat on June 30 totalled 4.9 million bushels, against 5.1 million bushels at the same time last year.

Following are tabulations of grains other than wheat ground in June, 1940, and in the same month of the preceding year, as well as flour production from 1938:

	June 1940	June 1939
Oats	964,541	842,494
Corn	203,573	236,848
Barley	138,448	116,462
Buckwheat	7,442	4,551
Mixed grain	1,536,098	1,323,440

Flour Poduction

	1940 Bbls.	1939 Bbls.	1938 Bbls.
Dec.		1,599,966	1,052,902
Nov.		1,960,429	1,605,567
Oct.		2,089,562	1,906,386
Sept.		1,927,102	1,630,231
Aug.		1,382,152	1,103,037
July		1,105,502	928,722
June	1,170,238	1,187,875	969,207
May	1,283,000	1,191,778	977,740
April	1,344,293	1,118,603	794,282
March	1,257,034	1,193,717	806,287
Feb.	1,246,798	1,037,466	849,228
Jan.	1,266,303	1,097,822	921,285
Totals	7,567,666	16,827,070	13,746,063

Halt Injunction In Tax Fight

Constitutionality of Quebec Tobacco Levy Contested by Montreal Store

From Our Own Correspondent

MONTREAL.—Mr. Justice Savard has refused an interim injunction to prevent police and revenue officers from taking the names and addresses of customers of Liberty Tobacco Shop Ltd., Montreal.

The store has been selling tobacco to clients and refusing to collect the 10% Quebec province sales tax. The new levy is being contested by the organization on the grounds of its constitutionality, and the company had asked an injunction to prevent authorities from entering the store.

A writ of prohibition has been filed in the Supreme Court to halt the magistrate hearing charges against T. E. Parsons and A. W. McGim for neglecting to pay the tax.

Would Set Precedent

A great deal of interest is being centred on the case as it establishes a precedent of far-reaching consequence. It involves the right of the province to levy a tax on tobacco. Liberty Tobacco Shop Ltd., with head office in Toronto, contends that the tax is ultra vires of Quebec Legislature, as under the B. N. A. Act the provinces are prohibited from levying a direct tax.

Argument on the writ of prohibition to halt proceedings before the magistrate was commenced last week and is being continued later this week.

United Fuel Net Much Higher

Increased Gas and Coke Sales and Better Prices Help

United Fuel Investments and its subsidiaries report consolidated net earnings of $131,635 for the three months ended June 30, 1940, first quarter of the company's year. This profit is after all charges except income and "excess" profits taxes. In the corresponding quarter of 1939 net earnings on the same basis amounted to $33,914.

Gains this year, so far as the gas distributing subsidiaries are concerned, are due mainly to increased volume of gas sold for industrial purposes and an increased average selling price. Number of meters connected is also higher.

Hamilton By-Products Coke Ovens, a subsidiary of United Fuel, accounted for the major portion of the higher earnings. Higher volume of coke sales and better prices aided this company's operations.

More Companies Help Employees at Camp

Last week The Financial Post published the plans which a number of Canadian employers have adopted as regards employees called out for military training. Letters received from many others stated they had not yet reached a decision. Some stated they had no plan in mind.

Plans subsequently adopted include the following:

Canadian Industries Ltd. will combine vacation periods of employees going to camp with the training period. Vacation allowances will be continued. But for any time spent in camp after the normal vacation period, men with dependents will be paid the difference between military and civilian pay. Men without dependents will receive the difference between military pay and two thirds of civilian pay.

National Drug and Chemical Co. will pay employees who take their holidays during the training period at camp regular wages or salary for the holiday period. For the balance of time they are away at camp the company will make an allowance based on the difference between military pay and civilian pay.

Another large industrial company which does not wish to be named will endeavor to have the training period synchronize with holidays. Where this is not possible the company will pay employees $10 a week while they are in camp.

Week in Wheat

British Wheat Purchase Routed Through Market

Deal for 100 Million Bushels Involves Futures Contracts and Facilities at Winnipeg to Keeping Regular Trading Machinery in Operation

From Our Own Correspondent

WINNIPEG.—Most important market news of recent weeks was announced sale of 100 million bushels of wheat direct by the Canadian Wheat Board to the British Cereals Import Board. Like a previous bulk sale of 50 million bushels, this is understood to have been in the form of futures in the Winnipeg market.

In due course, as wheat is required for actual export and is bought from exporters carrying it at or near ocean ports, these futures contracts will concurrently be absorbed by the exporters. This will extinguish their sales of wheat futures in the Winnipeg market, made as hedges against the grain they have been carrying.

The Canadian Wheat Board presumably sold the actual wheat now in store to the eastern elevators, and as part of the transaction took back an equivalent quantity of futures. Thus, though the two government agencies of Canada and Great Britain concluded a bargain for wheat outside of the machinery of the market, and of the ordinary grain trade, they make use of that machinery for the actual carrying out of the bargain.

The Canadian Wheat Board has been paid the actual cash for its wheat long before that wheat is exported, and the British agency does not need to provide cash until the grain is actually loaded aboard ship for export. In the meantime the export companies have financed the wheat on their own resources, or on money borrowed on their own credit. Loans have been both from Canadian banks, and to a considerable extent, especially on grain in transit through the United States, from American banks.

In such facts is found part of the desire of both the British and Canadian Government agencies to keep functioning the machinery of the Winnipeg futures market.

Significance of Deal

The importance of the 100 million bushel transaction lies more in the price, announced to be higher than the current market level, than in the quantity. The quantity is well under the minimum volume of wheat that will almost certainly be taken by Great Britain from Canada during twelve months. Total import requirements, assuming transport to continue feasible, should be well above 200 million bushels. From two thirds to three quarters of that might well be taken from Canada, in view of difficulties of making use of any other source of supply.

Difficulties of keeping the market functioning are increased by the fact that the Wheat Board, selling wheat it is already carrying, interferes with the market for new crop wheat about to be delivered. There had been some idea that the present holdings of the Board might be recognized as reserve stocks, to be held until changed conditions in Europe once again made possible large exports from Canada.

That might have led to purchases by the British authorities in the open market, and to farmers' deliveries of new wheat being sold there, instead of being delivered to the Wheat Board. The latter procedure will probably now be the case, unless some unforeseen condition develops to make a more active market.

* * *

Farmers Must Store

Present expectations are that farmers' deliveries of wheat to elevators will be rationed, possibly by restricting early deliveries to five bushels per acre of seeded land. That will make it incumbent on every farmer to carry a considerable part of his crop on his own farm.

Rationing will be least popular in Manitoba, where farmers count on their earlier harvests and short distance from terminal markets to give them frequent advantages in moving their grain. It has been most in demand in Alberta, where farmers have been afraid that the earlier harvesting of more easterly crops might tie up all terminal elevator space so as to make it impossible for them to get much grain out for months.

Railways have lately been curbing shipments of wheat from country elevators, in order to prevent more railway cars from being tied up with grain which cannot be unloaded in terminals. Coarse grains which have been moving fairly well from the head of the lakes, can still be shipped from country elevators.

* * *

Ration Railway Cars

It will be necessary for the regulation of farmers' deliveries of grain to be accompanied by control of supply of railway cars to different points, if the theory is to be carried out of trying to accommodate all farmers to some limited extent. The Board of Grain Commissioners has already a certain amount of authority in this respect. Provisions of the Canada Grain Act, for a car order book to be established at each shipping point to supply one car each to farmers in rotation as they apply, limit the authority of the Board to a considerable extent. It is presumed that provisions of the Act relating to car order books will have to be set aside.

A committee, headed by the chairman of the Board of Grain Commissioners, and with a representative from the Canadian Wheat Board, is expected to be established by the Government at Ottawa to control the whole subject of grain deliveries and car supplies.

* * *

Crop Estimates Rise

General consensus now puts the total wheat crop of the West at 400 million bushels or slightly better. Such an estimate is contingent upon late crops of Alberta ripening satisfactorily without damage from frost. If frost damage is escaped, Alberta will have a very good yield, possibly slightly better than that of last year.

Saskatchewan has a great deal of poor crop area, although very little of complete failure. At least half of the province is expected to have a very good yield. Conditions in Manitoba vary largely from one district to another, and even between adjoining farms. That is the result of this year's rainfall, which came mainly in the form of scattered and intermittent showers, rather than as general rains.

* * *

Trading Grows

In spite of the fact that the Winnipeg wheat market continues to rest on the pegged prices, there has lately been rather more business than for several weeks previous. Most of the farmers' grain which had been listed for sale, in the absence of a market which would absorb it, has now been cleared up.

On the other hand, deliveries to the Wheat Board had to be suspended on Aug. 1, pending announcement of the price scale to be paid by the Board, and completion of arrangements with the elevator companies to act as agents for the Board. Although the 70-cent initial price basis for No. 1 Northern is statutory, prices for other grades have to be established each season by the Wheat Board.

Movement of wheat down the lakes has lately been slow. With eastern terminal elevator space practically all occupied, terminals at the head of the lakes can be relieved only as rapidly as wheat is shipped overseas, or is absorbed by eastern millers. It is thought likely that large scale all-rail movement of wheat to eastern ports will be put under way as soon as freeze-up prevents further lake transportation. This would ensure that eastern terminals will be fully occupied throughout the winter, and as much space as possible made available for new deliveries of grain in the West.

Wheat Prices

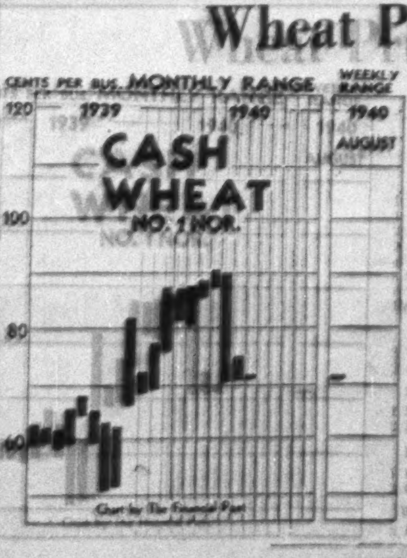

Chart by The Financial Post

Cash Quotations
For Week

	Aug. 6 High	Aug. 6 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.71⅝	.71⅛	.71⅝	.71⅛
1 Nor.	.71⅛	.71⅛	.71⅛	.71⅛
2 Nor.	.69⅛	.68⅝	.69⅛	.68⅝
3 Nor.	.64⅞	.64⅝	.63⅝	.63⅝
4 Nor.	.60⅝	.59⅝	.59⅝	.59⅝
5 Wheat	.58⅜	.58⅛	.57⅝	.57⅝
6 Wheat	.56⅝	.56⅛	.56⅛	.56⅛
Feed	.52⅝	.52⅛	.52⅝	.52⅛
Oats:				
2 C. W.	.30⅝	.30	.31	.29⅝
3 C. W.	.28⅝	.27½	.28	.28⅝
Barley:				
1 Feed	.32⅝	.32⅛	.32⅛	.32⅛
2 Feed	.30⅝	.31⅛	.32⅛	.31⅛
Flax:				
1 C. W.	1.31	1.30	1.37½	1.32½
2 C. W.	1.27	1.25	1.33½	1.28½
Rye:				
2 C. W.	.44⅝	.43	.46⅛	.46⅛

Winnipeg Grain Futures
Week to Aug. 6, 1940

Crop year from Aug. 1, 1939 High	Low		Open July 31	High for week	Low for week	Close Aug. 6	Close year ago
		Wheat					
.93⅝	.61⅝	July	.71⅛	.71⅛	.71⅛	.71⅛	....
.95⅝	.63⅝	Oct.	.73⅝	.73⅝	.72⅝	.72⅝	.58⅝
.79⅝	.74⅝	Dec.	....	.74⅝	.74⅝	.74⅝	.60⅝
		Oats					
.40⅝	.28⅝	July	.29⅝	.30⅛	.29⅝	.30	....
.36⅝	.26⅝	Oct.	.29⅝	.29⅝	.28⅝	.29⅝	.27⅝
.29⅝	.25⅝	Dec.	.27⅝	.27⅝	.27⅝	.27⅝	.26⅝
		Barley					
.53⅝	.31⅝	July	.34⅝	.34⅝	.33⅝	.33⅝	....
.52	.32⅝	Oct.	.34⅝	.34⅝	.32⅝	.33⅝	.34⅝
.39⅝	.32⅝	Dec.	.35	.35	.34	.34	.34⅝
		Flax					
2.30	1.24	July	1.42½	1.46	1.30	1.32	....
2.30½	1.29	Oct.	1.36½	1.39	1.32	1.32½	1.39
		Rye					
.81⅛	.39⅝	July	.46	.46	.44⅝	.44⅝	....
.77⅝	.39⅝	Oct.	.46⅝	.46⅝	.44⅝	.44⅝	.41⅝
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
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Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

N. M. PATERSON & COMPANY LTD.
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109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

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.... 105

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass ..	40c	Sept. 2	Aug. 15
Do., bonus	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 16
Anglo-Candn. Tel.	15c	Sept. 3	Aug. 15
Assoc Brew.	25c	Sept. 30	Sept. 14
Do., pref.	$1.75	Oct. 1	Sept. 14
Aluminium, c. ...	$1.50	Sept. 5	Aug. 20
Do., pref.	†$1.50	Sept. 1	Aug. 15
Beattie Gold	▪4c	Sept. 20	Sept. 9
Borden's	30c	Sept. 3	Aug. 15
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Blue Ribbon pf. ..	62½c	Aug. 1	July 25
Bank of Montreal .	$2	Sept. 3	July 31
Bank of Toronto..	$2.50	Sept. 3	Aug. 15
Brown Oil pf.	$1.50	Aug. 28	Aug. 3
Can. Converters ..	50c	Aug. 15	July 31
Coniaurum Mines..	4c	Sept. 25	Sept. 14
Canadian Oil, c. .	12½c	Aug. 15	Aug. 1
Do., extra	12½c	Aug. 15	Aug. 1
Canadian Oil, pf. .	$2	Oct. 1	Sept. 20
Can. Starch, pref.	$3.50	Aug. 15	Aug. 8
Comm'wealth Intnl.	4c	Aug. 15	July 15
Commoil	1c	Aug. 29	Aug. 15
Cosmos Imperial, c.	30c	Aug. 15	July 31
Calgary & Edm. .	▪10c	Sept. 30	Aug. 31
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	25c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Comm. Alcohols, p.	10c	Oct. 15	Sept. 30
Crown Cork	50c	Aug. 15	Aug. 10
Can. Malartic	2c	Sept. 26	Sept. 5
Corporate Investors	5c	Aug. 15	July 30
Can. Fairbanks-M.	50c	Aug. 15	July 31
Dom. Ang. Inv.,pf.	$1.25	Sept. 3	Aug. 15
Dominion Bridge	30c	Aug. 24	July 31
East Malartic	10c	Aug. 31	Aug. 1
Easy Washing, pf.	17½c	Aug. 15	July 31
Extension Oil	1½c	Aug. 31	Aug. 15
Four Star Pete. ...	1c	Aug. 15	July 20
Granby Cons.	†15c	Sept. 3	Aug. 16
Gen. Stl. Wares, p.	$1.75	Aug. 20	Aug. 10
Do., partic.	25c	Aug. 20	Aug. 10
Gurd, Chas., p. ...	$1.75	Aug. 15	Aug. 1
Hedley Mascot ...	2c	Aug. 15	July 24
Hollinger Cons. ...	5c	Aug. 12	July 29
Do., extra	5c	Aug. 12	July 29
Hallnor Mines ...	15c	Sept. 4	Aug. 15
Inter. Nickel	†50c	Sept. 30	Aug. 31
Kerr Lake M.	†5c	Aug. 29	Aug. 20
Kirkland L. Gold	5c	Nov. 1	Sept. 30
Do., extra	1c	Nov. 1	Sept. 30
Lake of W. Mill., p.	$1.75	Sept. 3	Aug. 17
Leitch Gold	2c	Aug. 15	July 31
Little Long Lac ..	10c	Aug. 20	Aug. 5
Loblaw, Groc., A, B	25c	Sept. 3	Aug. 10
Loblaw Groc. Inc.	†20c	Aug. 31	Aug. 15
Montreal Loan ..	31¼c	Sept. 16	Aug. 31
McIntyre Porc. ..	†50c	Sept. 3	Aug. 1
Nat. Biscuit	†40c	Oct. 15	Sept. 10
Do., pref.	†$1.75	Aug. 31	Aug. 16
Noranda Mines ...	$1	Sept. 16	Aug. 17
N. Scotia L. & P.	$1.50	Sept. 3	Aug. 15
Ontario Steel	75c	Aug. 15	Aug. 6
Do., pref.	$1.75	Aug. 15	Aug. 6
Press Metals	†25c	Sept. 3	Aug. 15
Penmans	75c	Aug. 15	Aug. 5
Privateer Mines ..	3c	Aug. 10	July 30
Prov. Bank	$1.50	Sept. 1	Aug. 15
Paton Mfg.	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
Photo Engravers ..	50c	Sept. 3	Aug. 15
Prov. Transport ..	20c	Aug. 15	Aug. 5
Quebec Power	25c	Aug. 26	July 22
Riverside Silk	50c	Oct. 1	Aug. 13
Remington Rand .	20c	Oct. 1	Sept. 10
Do., pref.	$1.12½	Oct. 1	Sept. 10
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 2	Aug. 15
Royal Bank	$2	Sept. 3	July 31
South. Can. Pr. ..	20c	Aug. 15	July 31
Shawinigan Pr. ..	23c	Aug. 26	July 24
Stuart, D. A. Oil, p.	20c	Sept. 3	Aug. 15
Surf Inlet	1½c	Sept. 16	Aug. 16
Teck-Hughes	▪10c	Oct. 1	Sept. 10
Do., bonus	▪5c	Oct. 1	Sept. 10
Toburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
Union Gas	20c	Sept. 14	Aug. 14
United Corp. "A".	38c	Aug. 15	July 31
Upper Can. Mines	‡3c	Aug. 31	Aug. 15
United Fuel, A., p.	75c	Oct. 1	Sept. 20
Walker-Good.	$1	Sept. 15	Aug. 23
Do., pref.	25c	Sept. 15	Aug. 23
Weston, Geo., c. ..	20c	Oct. 1	Sept. 12
Wr. Hargreaves ..	†10c	Oct. 1	Aug. 22
Do., bonus	†5c	Oct. 1	Aug. 22
Wilsil	25c	Oct. 1	Sept. 14
York Knitting	10c	Aug. 15	Aug. 8
Do., 1st pref. ...	$3.50	Aug. 15	Aug. 8
Do., 2nd pref. ..	$3.50	Aug. 15	Aug. 8

†Payable in U. S. funds ‡Initial.
▪Subject to approval by Foreign Exchange Control Board.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 309

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the THIRD day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1940.

By Order of the Board

JACKSON DODDS G. W. SPINNEY
General Manager General Manager

Montreal, 19th July, 1940.

Borden's

COMMON DIVIDEND
No. 122

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable September 3, 1940, to stockholders of record at the close of business August 15, 1940. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

Surf Inlet Consolidated Gold Mines Limited

TO THE SHAREHOLDERS:

Please be advised that at a meeting of the Board of Directors held July 25, 1940, an interim dividend of one and one-half cents per share, Canadian funds, was declared and, subject to approval by the Foreign Exchange Control Board of Canada, will be paid on September 16, 1940, to shareholders of record as at August 16, 1940.

The transfer books of the Company will be closed from the close of business on August 16, 1940, until the close of business on September 15, 1940.

By Order of the Board of Directors.

ROBERT L. REED,
President.

Canadian Malartic Gold Mines Limited

25 King Street West, Toronto.

DIVIDEND NO. 10.

NOTICE IS HEREBY GIVEN that a dividend of 2 cents per share has been declared by the Directors of Canadian Malartic Gold Mines Limited, payable in Canadian funds on September 26th, 1940, to shareholders of record September 5th, 1940.

Payment of this dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By Order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

August 1st, 1940.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable September 16th, 1940, to shareholders of record at the close of business August 17th, 1940.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, August 1st, 1940.

CAN. INDUSTRIES, B
CAN. VICKERS 6's
MTL. DRYDOCKS 6's
PROV. PAPER PFD.
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Elevators Push Extra Storage Plan in West

Companies Ready to Spend $2 Millions to Build Big Annexes

From Our Own Correspondent

WINNIPEG. — Approximately $2 millions will probably be spent within the next few weeks by elevator companies in western Canada to build additional storage capacity at country elevator points, to house perhaps 25 million additional bushels of grain.

Single bin annexes, capable of holding 20-30,000 bushels, will be the form usually adopted. Such bins will be filled by spouting grain from the main elevators, usually with machinery already installed.

Many will be emptied when the time comes, by the use of hand labor and teams, while others will be provided with machinery by which grain can be conveyed back into the main elevator for shipping.

Hard to Get Lumber

When the elevator companies began placing orders for lumber, they found it impossible to be sure of delivery of more than a fraction of their requirements, on account of preoccupation of British Columbia mills with war orders. Representatives of the different elevator organizations, including the Northwest Line Elevator Association, pool elevator companies, and United Grain Growers Ltd., have been in Ottawa, negotiating with the Government and with the timber controller to get priority in orders.

This, it is understood, has been arranged, and building will now go ahead, with the speed of the programme limited only by the difficulty of getting experienced labor.

Advantages of Plan

Several advantages are seen in the type of construction planned. The same amount of lumber will build storage for more grain when used for large bins than when scattered in small bins on individual farms.

When grain is once housed in such structures it can be fully financed, without the difficulties which attend making advances on farm store grain. In addition the same storage may be used to serve the needs of different farmers at different times.

While farmers have been urged to built storage bins on their farms, it is doubted if new farm granaries can be built to accommodate anything like the quantity of grain that will have to be left on farms. Some farmers are planning to stack grain, but the number of men in the West with skill to build satisfactory stacks is said to be very limited. Improvised bins will be used on many farms, enclosed by wire supported by stakes, and lined inside with tar paper and straw.

OTTAWA STUDIES PROBLEM

From Our Own Correspondent

OTTAWA—Arrangements are under consideration by the Canadian timber controller, H. R. MacMillan, to release lumber from war stocks for construction of extra storage annexes for western elevators.

The Line Elevators and the United Grain Growers have undertaken to provide storage in annexes to handle up to 10 million bushels of wheat, and the western wheat pools have undertaken to add annexes to their elevators to take care of 15 million bushels.

Canada is Increasing Fish Oil Production

From Our Own Correspondent

MONTREAL. — Canada will expand facilities for manufacturing cod liver oil this year to an estimated 200,000 gallons, compared with normal production of 60,000 gallons.

Since some of the principal competitors of Newfoundland and Canadian cod liver oil have been eliminated by the war, prices for the product have skyrocketed on world markets. It is anticipated that supply will be considerably short of the demand this year.

New processing plants have been opened in the Maritimes and medicinal fish liver oil output is being increased in British Columbia.

With these increased facilities it is forecast that Canada will be able to supply her own requirements for the year and establish a permanent industry of considerable value for future years.

DIVIDEND NOTICES

BEATTIE GOLD MINES (Quebec) Limited

(No Personal Liability)

25 King Street West, Toronto

DIVIDEND NOTICE
Dividend No. 11

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on September 20th, 1940, to shareholders of record at the close of business on September 9th, 1940.

By order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

July 31st, 1940.

Hallnor Mines Limited

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that the interim dividend of 15c per share, payable in Canadian funds, has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability), payable September 4th, 1940, to shareholders of record at the close of business August 15th, 1940.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, Ont., July 31st, 1940.

DIVIDEND NOTICE

COMMOIL LIMITED

NOTICE is hereby given that an Interim Dividend of 1c per share has been declared on the outstanding no par value shares of the Company, payable August 29th, 1940, to shareholders of record at the close of business, August 15th, 1940.

The transfer books of the Company will not be closed.

By Order of the Board.

G. J. McKAY,
Secretary.

July 31, 1940.

Pay Rather Than Storage Held Main Wheat Problem

From Our Own Correspondent

MONTREAL. — Canada's current wheat problem is a matter primarily of how to find a satisfactory means to pay the farmer for the wheat so held on the farm rather than of constructing physical storage facilities, according to one well informed observer here. The problem is to find storage in such location and condition that farmers can be paid for their wheat.

In the event of a serious glut of wheat, the suggestion is being made that the western farmer may revert to the practice followed in the days before elevators, namely, stacking in the field. This method is still followed in Europe. Its abandonment in western Canada came when the elevators were built as a means of enabling the farmer to receive quick cash returns for his crop. In turn, the railways needed money and so encouraged the building of country elevators all along their lines.

The principal objection to stacking wheat is the difficulty in telling the quantity or grade of the wheat.

Status of Storage Capacity

The situation in respect to wheat in storage and elevator capacity is set out in the following tables:

Elevator Capacity and Crop

Carryover in Canada—July 26, 1940	256,000,000
Estimated 1940-41 crop	400,000,000
Total supply	656,000,000
Domestic consumption of wheat	120,000,000
Available for export	536,000,000
Net elevator capacity*	382,000,000
Storage deficiency	154,000,000

*Gross elevator capacity of 425,000,000 minus 10% for working space.

Canadian Wheat in Store

	As at July 26/40	As at July 28/39	As at July 29/38
	(In thousands of bushels)		
Country elevators	53,420	8,685	1,575
Interior private and mill	5,854	5,815	1,660
Public and semi-public terminals	13,458	3,240	11
Vancouver, Vic., New West., Pr. Rup.	17,055	6,995	75
Churchill	2,495	2,332	12
Fort William and Port Arthur	78,528	14,210	7,615
In transit lakes	2,066	5,820	1,136
In transit rail	23,714	4,399	1,636
Eastern elevators—lake ports	38,893	27,631	2,991
St. Lawrence and seaboard ports	20,653	10,155	2,015
Total in Canada	256,136	89,282	18,726
Can. wheat in U. S. lake ports, seaboard ports and in transit	25,223	6,567	983
Total Can. wheat in Canada and U. S.	281,359	95,849	19,709

Block Renewal Farm Debt Act

Parliamentary Deadlock Prevents Revival of Statute in Manitoba

From Our Own Correspondent

OTTAWA.—Failure of the House of Commons to agree to amendments sought by the Senate in the Farmers Creditors Arrangement Act has frustrated efforts for this session to re-establish the act in Manitoba. It will continue, as previously, in the provinces of Saskatchewan and Alberta.

In considering amendments by the House of Commons to revive the act in Manitoba, the Senate inserted clauses providing for appeals to the provincial courts of appeal. Such provision, Hon. J. L. Ilsley, Finance Minister, said, was not acceptable to the House of Commons.

Several Alternatives

The Manitoba Government, it is known, has considered several alternatives of debt protection for its farmers. Originally, Manitoba sought to create a branch of the King's Bench Court as a land court to handle farm applications for readjustment. Then when Parliament enacted the Central Mortgage Bank Act last year, Manitoba came out strongly for it.

But on outbreak of war the mortgage bank scheme was shelved for the duration. As a result, Manitoba applied for a revival of the Farmers' Creditors Arrangement Act. Whether or not the Manitoba Government will now resort to a moratorium is not known in Ottawa, but the possibility is believed to exist.

Halt Injunction In Tax Fight

Constitutionality of Quebec Tobacco Levy Contested by Montreal Store

From Our Own Correspondent

MONTREAL.—Mr. Justice Savard has refused an interim injunction to prevent police and revenue officers from taking the names and addresses of customers of Liberty Tobacco Shop Ltd., Montreal.

The store has been selling tobacco to clients and refusing to collect the 10% Quebec province sales tax. The new levy is being contested by the organization on the grounds of its constitutionality, and the company had asked an injunction to prevent authorities from entering the store.

A writ of prohibition has been filed in the Supreme Court to halt the magistrate hearing charges against T. E. Parsons and A. W. McGim for neglecting to pay the tax.

Would Set Precedent

A great deal of interest is being centred on the case as it establishes a precedent of far-reaching consequence. It involves the right of the province to levy a tax on tobacco. Liberty Tobacco Shop Ltd., with head office in Toronto, contends that the tax is ultra vires of Quebec Legislature, as under the B. N. A. Act the provinces are prohibited from levying a direct tax.

Argument on the writ of prohibition to halt proceedings before the magistrate was commenced last week and is being continued later this week.

Flour Output Drops Slightly

June Production Declines from Same Month Last Year

From Our Own Correspondent

MONTREAL.—Slight decrease in June flour production interrupted 22 consecutive monthly increases in output over the corresponding figures in previous years.

According to preliminary figures of the Dominion Bureau of Statistics, June output totalled 1.2 million bbls., decline of 17,637 bbls. from June, 1939.

Since the middle of 1938, flour production has shown a steady and decided upturn. In October last year total reached 2.1 million bbls., the highest for any month since November, 1928, when output totalled 2.2 million bbls.

Drops from May

June production was 112,762 bbls. lower than in May, but this is accounted for by the seasonal decline.

There were 5.3 million bushels of wheat ground in Canadian mills during June, against 5.5 million bushels in June, 1939.

Stocks of mill wheat on June 30 totalled 4.9 million bushels, against 5.1 million bushels at the same time last year.

Following are tabulations of grains other than wheat ground in June, 1940, and in the same month of the preceding year, as well as flour production from 1938:

	June 1940	June 1939
Oats	964,541	842,494
Corn	203,573	238,848
Barley	133,448	115,462
Buckwheat	2,442	4,551
Mixed grain	1,536,098	1,323,440

Flour Poduction

	1940 Bbls.	1939 Bbls.	1938 Bbls.
Dec.	....	1,599,966	1,052,002
Nov.	....	1,960,429	1,605,557
Oct.	....	2,089,562	1,906,386
Sept.	....	1,927,102	1,639,231
Aug.	....	1,382,152	1,103,037
July	....	1,105,502	928,722
June	1,170,238	1,187,875	969,207
May	1,283,000	1,191,778	977,740
April	1,344,293	1,113,603	794,282
March	1,257,034	1,193,717	888,387
Feb.	1,246,798	1,037,466	849,228
Jan.	1,266,303	1,097,822	921,285
Totals	7,567,666	16,827,070	13,746,063

United Fuel Net Much Higher

Increased Gas and Coke Sales and Better Prices Help

United Fuel Investments and its subsidiaries report consolidated net earnings of $131,635 for the three months ended June 30, 1940, first quarter of the company's year. This profit is after all charges except income and "excess" profits taxes. In the corresponding quarter of 1939 net earnings on the same basis amounted to $33,914.

Gains this year, so far as the gas distributing subsidiaries are concerned, are due mainly to increased volume of gas sold for industrial purposes and an increased average selling price. Number of meters connected is also higher.

Hamilton By-Products Coke Ovens, a subsidiary of United Fuel, accounted for the major portion of the higher earnings. Higher volume of coke sales and better prices aided this company's operations.

More Companies Help Employees at Camp

Last week The Financial Post published the plans which a number of Canadian employers have adopted as regards employees called out for military training. Letters received from many others stated they had not yet reached a decision. Some stated they had no plan in mind.

Plans subsequently adopted include the following:

Canadian Industries Ltd. will combine vacation periods of employees going to camp with the training period. Vacation allowances will be continued. But for any time spent in camp after the normal vacation period, men with dependents will be paid the difference between military and civilian pay. Men without dependents will receive the difference between military pay and two thirds of civilian pay.

National Drug and Chemical Co. will pay employees who take their holidays during the training period at camp regular wages or salary for the holiday period. For the balance of time they are away at camp the company will make an allowance based on the difference between military pay and civilian pay.

Another large industrial company which does not wish to be named will endeavor to have the training period synchronize with holidays. Where this is not possible the company will pay employees $10 a week while they are in camp.

Week in Wheat

British Wheat Purchase Routed Through Market

Deal for 100 Million Bushels Involves Futures Contracts and Facilities at Winnipeg to Keeping Regular Trading Machinery in Operation

From Our Own Correspondent

WINNIPEG.—Most important market news of recent weeks was announced sale of 100 million bushels of wheat direct by the Canadian Wheat Board to the British Cereals Import Board. Like a previous bulk sale of 50 million bushels, this is understood to have been in the form of futures in the Winnipeg market.

In due course, as wheat is required for actual export and is bought from exporters carrying it at or near ocean ports, these futures contracts will concurrently be absorbed by the exporters. This will extinguish their sales of wheat futures in the Winnipeg market, made as hedges against the grain they have been carrying.

The Canadian Wheat Board presumably sold the actual wheat now in store to the eastern elevators, and as part of the transaction took back an equivalent quantity of futures. Thus, though the two government agencies of Canada and Great Britain concluded a bargain for wheat outside of the machinery of the market, and of the ordinary grain trade, they make use of that machinery for the actual carrying out of the bargain.

The Canadian Wheat Board has been paid the actual cash for its wheat long before that wheat is exported, and the British agency does not need to provide cash until the grain is actually loaded aboard ship for export. In the meantime the export companies have financed the wheat on their own resources, or on money borrowed on their own credit. Loans have been both from Canadian banks, and to a considerable extent, especially on grain in transit through the United States, from American banks.

In such facts is found part of the desire of both the British and Canadian Government agencies to keep functioning the machinery of the Winnipeg futures market.

Significance of Deal

The importance of the 100 million bushel transaction lies more in the price, announced to be higher than the current market level, than in the quantity. The quantity is well under the minimum volume of wheat that will almost certainly be taken by Great Britain from Canada during twelve months. Total import requirements, assuming transport to continue feasible, should be well above 200 million bushels. From two thirds to three quarters of that might well be taken from Canada, in view of difficulties of making use of any other source of supply.

Difficulties of keeping the market functioning are increased by the fact that the Wheat Board, selling wheat it is already carrying, interferes with the market for new crop wheat about to be delivered. There had been some idea that the present holdings of the Board might be recognized as reserve stocks, to be held until changed conditions in Europe once again made possible large exports from Canada.

That might have led to purchases by the British authorities in the open market, and to farmers' deliveries of new wheat being sold there, instead of being delivered to the Wheat Board. The latter procedure will probably now be the case, unless some unforeseen condition develops to make a more active market.

• • •

Farmers Must Store

Present expectations are that farmers' deliveries of wheat to elevators will be rationed, possibly by restricting early deliveries to five bushels per acre of seeded land. That will make it incumbent on every farmer to carry a considerable part of his crop on his own farm.

Rationing will be least popular in Manitoba, where farmers count on their earlier harvests and short distance from terminal markets to give them frequent advantages in moving their grain. It has been most in demand in Alberta, where farmers have been afraid that the earlier harvesting of more easterly crops might tie up all terminal elevator space so as to make it impossible for them to get much grain out for months.

Railways have lately been curbing shipments of wheat from country elevators, in order to prevent more railway cars from being tied up with grain which cannot be unloaded in terminals. Coarse grains which have been moving fairly well from the head of the lakes, can still be shipped from country elevators.

• • •

Ration Railway Cars

It will be necessary for the regulation of farmers' deliveries of grain to be accompanied by control of supply of railway cars to different points, if the theory is to be carried out of trying to accommodate all farmers to some limited extent. The Board of Grain Commissioners has already a certain amount of authority in this respect. Provisions of the Canada Grain Act, for a car order book to be established at each shipping point to supply one car each to farmers in rotation as they apply, limit the authority of the Board to a considerable extent. It is presumed that provisions of the Act relating to car order books will have to be set aside.

A committee, headed by the chairman of the Board of Grain Commissioners, and with a representative from the Canadian Wheat Board, is expected to be established by the Government at Ottawa to control the whole subject of grain deliveries and car supplies.

• • •

Crop Estimates Rise

General consensus now puts the total wheat crop of the West at 400 million bushels or slightly better. Such an estimate is contingent upon late crops of Alberta ripening satisfactorily without damage from frost. If frost damage is escaped, Alberta will have a very good yield, possibly slightly better than that of last year.

Saskatchewan has a great deal of poor crop area, although very little of complete failure. At least half of the province is expected to have a very good yield. Conditions in Manitoba vary largely from one district to another, and even between adjoining farms. That is the result of this year's rainfall, which came mainly in the form of scattered and intermittent showers, rather than as general rains.

• • •

Trading Grows

In spite of the fact that the Winnipeg wheat market continues to rest on the pegged prices, there has lately been rather more business than for several weeks previous. Most of the farmers' grain which had been listed for sale, in the absence of a market which would absorb it, has now been cleared up.

On the other hand, deliveries to the Wheat Board had to be suspended on Aug. 1, pending announcement of the price scale to be paid by the Board, and completion of arrangements with the elevator companies to act as agents for the Board. Although the 70-cent initial price basis for No. 1 Northern is statutory, prices for other grades have to be established each season by the Wheat Board.

Movement of wheat down the lakes has lately been slow. With eastern terminal elevator space practically all occupied, terminals at the head of the lakes can be relieved only as rapidly as wheat is shipped overseas, or is absorbed by eastern millers. It is thought likely that large scale all-rail movement of wheat to eastern ports will be put under way as soon as freeze-up prevents further lake transportation. This would ensure that eastern terminals will be fully occupied throughout the winter, and as much space as possible made available for new deliveries of grain in the West.

Wheat Prices

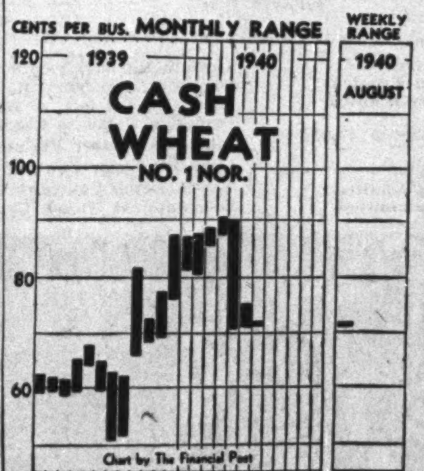

Chart by The Financial Post

Cash Quotations

	For Week Aug. 6 High	For Week Aug. 6 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard .	.71⅞	.71¾	.71⅜	.71⅜
1 Nor. ..	.71⅞	.71¾	.71⅜	.71⅜
2 Nor. ..	.69⅛	.68⅞	.68⅜	.68⅜
3 Nor. ..	.64⅞	.64⅝	.63⅜	.63⅜
4 Nor. ..	.60⅛	.50⅛	.59⅜	.59⅜
5 Wheat .	.58⅛	.58⅛	.57⅜	.57⅜
6 Wheat .	.56⅛	.56⅛	.56⅜	.56⅜
Feed	.52⅝	.52⅝	.52⅜	.52⅜
Oats:				
2 C. W. .	.30⅜	.30	.31	.29⅝
3 C. W. .	.28⅜	.27½	.28	.28⅜
Barley:				
1 Feed ..	.32⅝	.32⅜	.33¼	.32½
2 Feed ..	.32⅛	.31⅞	.32⅛	.31⅞
Flax:				
1 C. W. .	1.31	1.30	1.37¼	1.32½
2 C. W. .	1.27	1.26	1.33½	1.28⅛
Rye:				
2 C. W. .	.44¾	.43	.46½	.45½

Winnipeg Grain Futures

Week to Aug. 6, 1940

Crop year from Aug. 1, 1939 High	Low		Open July 31	High for week	Low for week	Close Aug. 6	Close year ago
		Wheat					
.93⅛	.61⅜	July	.71⅜	.71⅝	.71⅛	.71⅝	.....
.95⅜	.63⅜	Oct.	.73⅜	.73⅝	.73⅛	.73⅝	.52⅛
.79⅝	.74⅜	Dec.	.....	.74⅝	.74⅛	.74⅜	.53⅝
		Oats					
.40⅞	.28⅞	July	.29¼	.30⅛	.29⅛	.30	.....
.38⅜	.26⅛	Oct.	.28½	.29⅝	.28⅛	.29⅝	.27⅛
.29¼	.25⅞	Dec.	.27¼	.27⅝	.27¼	.27⅝	.26⅝
		Barley					
.53⅜	.31⅝	July	.34½	.34¼	.33⅝	.33⅝	.....
.52	.32⅛	Oct.	.34⅜	.34⅝	.33⅝	.33⅝	.34⅜
.38½	.33⅜	Dec.	.35	.35	.34	.34	.34⅜
		Flax					
2.39	1.24	July	1.42½	1.45	1.33	1.33	.....
2.36⅛	1.29	Oct.	1.36½	1.33	1.32	1.32½	1.29
		Rye					
.81⅛	.39⅜	July	.46	.46	.44½	.44½	.....
.77⅛	.39⅜	Oct.	.46⅝	.46⅝	.45⅝	.45⅝	.37⅞
.48⅝	.39⅞	Dec.	[illegible]	.46⅝	.45	.46	.37⅝

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Week in Mining

See Further Possibilities For Gold Output Step-Up

Mines Might Use Excess Capacity to Treat Ore From Other Mines on a Custom or Toll Basis as Wartime Emergency Measure

Stepping up gold production is a problem which has been spotlighted ever since the outbreak of war. Both mining company and government officials have realized that higher gold production is desirable to secure foreign exchange. Gold is the only Canadian export which can be sold in unlimited quantity, at a fixed price, and against which there are no tariff barriers.

So far, however, it has proved impossible to realize as large an increase in output as desired. Many mines have not found it feasible to treat a higher average grade of ore if output is to be maintained at a high level over a period of years; only a limited number of mines have been able to step up grade materially. A few mill increases have followed the call for greater production but the effect on the total is, so far, not important.

Still Chances

But possibilities have not been exhausted. One of the best bets of all for a higher gold production has had little discussion so far. In Kirkland Lake there are at least two mines which are not now nearly using the full capacity of their mills. There are also conceivably, other mines in the area which might produce a substantially greater tonnage of ore than their own mills can treat if asked to do so as a national duty.

There is no economic reason why ore from mines that can mine at a higher rate should not be trucked to mills with excess capacity. Cost of trucking ore from one mine to another company's mill is not great—one mine trucks ore over 10 miles for 44 cents a ton—and the cost of trucking might even be more than offset by the saving in depreciation on milling facilities not now in use.

* * *

Big Fields' Chance

Big mining fields offer the best chance of increasing gold output by this method. Large mines in the big fields have the most flexibility in their operations and mining a larger tonnage does not present the same problems as it does for a small mine which may be using all its stopes anyway.

The large mining fields are also the most likely places for bringing together unused capacity and any extra ore that can be mined. Each field would have a chance of maximizing its output with available milling facilities.

* * *

New Mines—Leased Mills

Closely related to this is treatment of ore from partially developed and developed properties at mills of other companies where developed ore has been exhausted. It has been successfully carried out in a number of cases recently: Broulan Porcupine Mines is shipping ore to the leased Mace mill: Upper Canada Mines was able to realize handsome profits from shipment of ore to the Morris Kirkland mill, and Central Cadillac Mines has been shipping ore to the Thompson Cadillac mill.

* * *

Several Advantages

During wartime, treatment of ore at leased mills rather than erection of the company's own mill may be desirable on several scores. Valuable time can be saved in getting into production; resources of engineering firms can be used to fill other war requirements instead of building mills, and savings may be diverted from mill building to financing the war. In addition, the company whose mill is leased secures some funds which may be used for carrying out further development. It is understood that the problem of mill building versus mill leasing is coming up before one important company at the present time. Deliveries of mill equipment are becoming more uncertain and mill leasing may be considered the most desirable course on a strictly business basis.

* * *

U. S. Nickel Sales Big

In spite of the closure of the the European market for nickel, International Nickel Co. continues to do a very large volume of business, according to a dispatch from New York. Sales of nickel in the United States, for instance, are stated to have increased 60% over the corresponding period of 1939. Increase in United States sales and the large volume of buying from the United Kingdom are said to have probably allowed the company to maintain its earnings in the June quarter of this year.

The war and the American defense programme are expected to keep markets active in the second half of this year, according to the New York people. Sales to the United States in July were even better than the average for the first six months. The American defense programme, calling for large purchases of nickel, will thus to some extent help the Canadian defense programme by supplying Canada with larger quantities of foreign exchange.

* * *

Manganese Search

Actuated by the recent announcement of Hon. J. S. McDiarmid, Manitoba minister of natural resources, regarding the finding of deposits of manganese dioxide in the Riding Mountain area, several parties of prospectors have been conducting exploration work along the southern slopes of the hills. A syndicate is now being formed which will give the territory much more intensive prospecting than has hitherto been possible.

One result of the prospecting to date is the discovery of limonite farther up the slopes. It is now believed deposits of manganese bearing ore may be found which, apart from the deposits of "bog" manganese in the Birdtail Valley, will be of sufficient importance to warrant plans for commercial operation. Several of the prospectors who have been investigating the area are enthusiastic and believe it to be of very considerable importance.

Canadian Malartic Profit Higher

Milling Increased to 775 Tons Daily — To Connect Shafts

Operating profits of Canadian Malartic Gold Mines showed an increase to $183,400 in the three months ended June 30, 1940, compared with $157,739 for the corresponding period last year. No allowance for depreciation or deferred development is made in either case.

In spite of the treatment of a lower grade of ore, recovery in the June quarter this year showed an increase, amounting to $281,277 from 68,089 tons of ore for an average recovery of $4.13 a ton. In the June, 1939, quarter, recovery of $255 817 was obtained from 61,047 tons of ore, an average of $4.19 a ton. Operating costs showed an increase of about $15,000 at $157,961.

New Equipment

New crushing equipment was placed in operation May 1 and the mill is now treating 775 tons daily compared with an average of 670 tons last year. Lower ore grade last quarter was stated to be due to ore being drawn from a low grade section at the second level of the north zone.

No. 3 shaft has now been sunk to the 725-ft. level where a haulage way is to be established for ore transportation to the No. 2 production shaft.

More detailed drilling of the 708 ore body below the 875-ft. level is continuing to give satisfactory results, it is stated. Mining of the ore body will require extending No. 3 shaft 350 ft. and much stope preparation.

Buffalo Ankerite Earnings Down

But Ore Reserves Show Substantial Increase Over Year End

Lower total recovery and heavier development and exploration costs at Buffalo Ankerite Gold Mines resulted in fall of net profits to $79,255 or 11.3 cents a share in the first half of 1940 compared with $189,424 or 27 cents a share the first half of 1939.

Costs in 1940 include extraordinary items such as $57,499 for lateral development from No. 5 shaft, $23,361 for crusher station and ore pass, and $9,053 for shaft sinking.

Higher Tonnage Milled

Production the first six months was $1,283,979 from 188,019 tons of ore for an average recovery of $6.83 a ton. In the same period last year, recovery was $1,347,306, an average recovery of $7.64 a ton.

Ore reserves June 30, 1940, were estimated at $5,847,013, 824,546 tons of $7.09 ore. This is a considerable increase over total of $5,014,807 at the end of 1939; 617,190 tons of $8.13 ore.

After allowing $87,710 for dividends paid the first half of 1940, working capital at June 30 was practically unchanged from the year end at $146,360. A total of $144,929 of expenditure was capitalized for the period.

South Vein Responds

Development of the south vein system is stated to have been good with 266,258 tons of ore outlined from 1,050 to 1,850-ft. depth. Values on the 1,700 and 1,850-ft. levels in the last 200 ft. of work are stated good. Crosscutting at the 2,000-ft. level is stated close to the projected location of the vein. The 2,000-ft. level haulage way from the No. 5 shaft to the No. 6 winze was expected to be complete about August 15.

International Nickel Pays Usual Dividend

Directors of International Nickel Co. of Canada have declared the company's usual quarterly dividend of 50 cents a share on the company's common stock, payable in United States funds September 30 to shareholders of record August 31.

Approval of the present dividend is stated to have been given by the Foreign Exchange Control Board. The dividend in United States funds is payable in respect to certificates issued by the Toronto, Montreal and New York transfer agencies, while the prevailing equivalent in pounds sterling will be paid for stock on the London registry.

NEW PAYMASTER RECORD

July production of Paymaster Consolidated Mines was a new record at $152,700 from 17,681 tons of ore milled; average, $8.63 a ton. Output in the previous month totalled $147,169 from 17,267 tons, an average of $8.52 a ton.

The company's annual report is expected in about a week's time.

Sheep Creek's Output Record

Profits Narrowed By Taxes But Reserves Are Maintained

Although value of production at Sheep Creek Gold Mines established a new record in the fiscal year ended May 31, 1940, higher taxes meant a slight reduction in net profits. Earnings were equal to 20.3 cents a share compared with 21.6 cents the preceding year.

Production of $1,019,205 in the year ended May 31, 1940, was obtained from milling 55,992 tons of ore; average $18.20 a ton. This compared with the previous year's output of $968,330; 544,212 tons; average $17.86 a ton.

While ore reserves showed a decline in average grade from 0.465 oz. to 0.446 oz. gold per ton, an increase in tonnage from 132,338 tons to 139,555 tons as at May 31, 1940, meant ounce content of reserves was slightly more than maintained.

The 68 vein discovered last year developed two ore shoots running 88 and 45 ft. on the fourth level and 37 and 158 ft. on the fifth level. The 81 vein, cut on the 9th level 250 ft. below deepest previous work, gave 312 ft. of ore averaging 0.495 oz. over 3.1 ft.

Income and Surplus Account
Years Ended May 31

	1940 $	1939 $
Production	1,019,205	968,330
Less: Marketing	13,480	14,690
Net production	1,005,725	953,640
Less: Min. & devel.	265,321	268,637
Milling	84,625	78,998
Ore delivery	4,530	3,747
B. C. min. tax	18,314	17,418
Insur. premiums	3,907	8,199
H. O. & admin.	13,645	12,242
Oper. earnings	615,383	564,399
Add: Sundry revenue	11,112	8,287
	626,495	572,686
Less: Depreciation	15,695	16,318
Depletion	68,466	54,514
Outside explor.	11,334	7,676
Income taxes	150,000	88,835
Net profit	381,000	405,343
Less: Dividends	337,500	281,250
Surplus for year	43,500	124,093
Add: Prev. surplus	309,624	185,531
Balance forward	353,124	309,624
Earnings per Share and Divd. Record:		
Earned	$0.203	$0.216
Paid	0.18	0.15
Working Capital		
Current assets	740,883	613,319
Current liabilities	175,982	115,944
Working capital	564,901	497,375

Berens River Applies For Toronto Listing

Application for listing on the Toronto Stock Exchange has been made by Berens River Mines, operating a gold mine in the Favorable Lake area, Patricia district, Ontario. The listing application covers two million issued shares and is slated to be dealt with shortly by the Exchange listing committee.

Operating profit for the first six months of 1940 is reported at $263,928 after providing for taxes and interest on income notes but before depreciation and write-offs for deferred development. Profit on the same basis from last September to the end of 1939 was $138,380.

Working capital showed an increase to $504,138 at June 30 from $304,834 at the end of 1939.

GOLDEN GATE MEET

Special shareholders' meeting of Golden Gate Mining Co. has been called for August 16 to authorize sale of 2 million shares of stock, the additional shares created by supplementary letters patent recently. Approval will be sought for the sale at a discount not exceeding 95% of par value.

Week in Oils

From Our Own Correspondent

CALGARY.—Probable further increases in Turner Valley oil prices, easing of the tax burden on oil companies, and Dominion Government aid to encourage investment in oilfield development and to enlarge the Turner Valley and wildcat drilling programme—that is the interpretation by Alberta oilmen of the new Dominion Oil Controller's first press release, made a few days ago.

Moving to alleviate a temporary oil shortage in the prairie provinces, Oil Controller G. R. Cottrelle announced he had authorized western refiners to import from the United States that portion of their current crude oil requirements that could not be obtained from Turner Valley. At the same time he emphasized that the causes of the present temporary shortage would be corrected without undue delay.

"The experience of this past year," said Mr. Cottrelle, "shows the folly of not operating these (Turner Valley) wells on an even basis throughout the year, and of each refiner not having a reserve of crude storage at his plant. This can and will be corrected in another year."

* * *

Causes of Shortage

As is now generally known, Turner Valley operators are not willing to step up production of existing wells beyond the present 27,000 to 28,000 bbls daily, in the belief that increased output would adversely affect gas-oil ratios and pressures.

A former general belief that field production could be stepped up higher, a sad lack of adequate field and pipe-line terminal storage, failure of independent refiners to equip themselves with storage, and delay by the Conservation Board in stepping up production when it became apparent demands were increasing and stocks were declining, have resulted now in the almost complete elimination of refiners' crude storage.

* * *

Amount Imported

August requirements of Prairie refiners are estimated to be at least 32,000 bbls, daily, of which 4,000 to 5,000 bbls. must be imported. Considerable spot oil is available in Montana for Saskatchewan needs, while that part of the Manitoba market that is not able to secure Turner Valley oil will be supplied with Illinois crude and gasoline processed from Illinois crude at Ontario refineries.

The state of the Prairie harvest will determine how long this importing must be continued. Present estimate is that imports will be required until around the end of September.

* * *

Future Possibilities

A hint of the possible steps to be taken by the Oil Controller to ensure a much larger drilling programme than at present and to encourage investment in oil, was given by Cottrelle in the following words:

"The controller is carefully examining all legislation, taxes, etc., which have tended to discourage production. Those with production and those investing their money in production must be encouraged, and it is expected that a plan will shortly be reached whereby we will have a much larger drilling programme on a sound basis. In fact the controller is considering the advisability of licensing those who will drill new wells in order that the undertaking shall be free of certain unsound practices of the past."

The Cottrelle statement was received by the oil industry with marked approval. The feeling is general that, regardless of the exact nature of the steps to be taken by the oil controller, they will be carefully designed to accomplish the objectives listed in the statement.

* * *

Association's Suggestions

The Alberta Petroleum Association, which is in close touch with the oil controller, suggests that Mr. Cottrelle give consideration to the following if, as is now evident, he wishes to encourage investment in oil and a much larger drilling programme:

1. Careful examination of all legislation dealing with taxation, regulations and all other government interference which tends to make capital nervous.

2. Consideration of exempting wells for income tax purposes during the period in which production is paying off costs of drilling.

3. The possible desirability of a higher crude oil price. It was reported to the McGillivray Commission that Montana crude oil of 37 gravity at Regina was the basis on which the Turner Valley field price had been established. From conditions prevailing at the present time the association suggests the Turner Valley oil price can be increased by between eight and ten cents per barrel without the necessity of increasing the cost of gasoline to the consumer or disturbing the present equilibrium.

* * *

New Type Drilling

An interesting and important experiment is under way at the Pacific Pete No. 5 well on the Turner Valley central west flank. For the first time in Turner Valley history, bortz core bits are being used in an attempt to core the entire limestone section. This method of drilling into the lime is expected not only to materially reduce costs, but also to provide detailed and invaluable data on the potentially productive horizons in the limestone.

While the operation is still in an experimental stage, and adjustments are still being made to equipment, results have been encouraging, both from the point of view of core recovery and economy of operation. Equipment used consists of 20-ft. core barrels and a controlled drill-feed in addition to special bortz core bits. It is expected that the completion of this experiment will open the way for more advanced and efficient drilling and production operations in Turner Valley.

The Pacific No. 5 well is now coring and drilling more than 137 ft. in the lime below 7,775 ft.

As soon as No. 5 has been completed the core drilling equipment will be shifted to South End test Pacific Pete No. 4, which reached the lime last week at 7,529 ft. and set production string of casing.

Prepare to Produce At Pandora Mine

Following final approval of the deal by which Pandora Cadillac Gold Mines acquires the property and mill of Amm Gold Mines and assumes its liabilities, preparations are now being made to deliver Pandora ore to the newly-acquired Amm mill.

In the Pandora east workings there are estimated to be 45,000 tons of ore available which will average $11 a ton with additional ore known to exist in the west shaft workings. While the Pandora property is being readied for production, ore will continue to be drawn from the Amm workings the next few months.

Hutchison Lake Will Produce

Under an agreement with Northern Empire Mines Co., Hutchison Lake Gold Mines will join ranks of producing mines by shipping ore to the mill of Magnet Consolidated Mines some nine miles away. Magnet Consolidated is controlled by Northern Empire.

Some 10,000 tons of high-grade ore is estimated available for shipment by truck to the Magnet mill. Some 4,000 to 5,000 tons is on the surface dump and 6,000 to 7,000 tons underground. Workings will be dewatered and an attempt will be made to open further ore as conditions warrant.

Hallnor Profits Down Slightly

Deep Work Results Are Termed Satisfactory — Dividend is Declared

Increased taxation was chiefly responsible for a decline in profits of Hallnor Mines in the first half of 1940 compared with 1939. Earnings for the first half of the year were equal to 35 cents a share compared with 41.6 cents last year.

Value of production was practically unchanged the first half of 1940 at $1,254,379 as against $1,255,350, although tonnage of ore milled showed an increase at 68,383 tons compared with 59,380 tons the corresponding period last year. Operating costs have been slightly higher this year.

Drifting and drilling on the levels from 5th to 9th were satisfactory up to July 31, 1940, according to J. Y. Murdoch, president. On that date, drifts were being extended west on the 5th, 6th, 7th and 9th levels and east on the 5th 6th and 7th levels. The ore pass system is stated to have been completed and is now in operation.

Seek Higher Output

An effort is now being made, in view of economic conditions resulting from the war, to increase ounce production of gold, according to the president.

The company remains exempt from income tax to Dec. 31, 1941. It is expected by officials that excess profits tax levies will be at the minimum rate of 12% of net profits after depletion.

A dividend of 15 cents a share has been declared payable Sept. 4, 1940, to shareholders of record Aug 15; ex-dividend Aug. 14. Similar payments were made on March and June 1.

Beattie Profit Shows Higher Output Effect

Higher production realized by Beattie Gold Mines in the June quarter of 1940 more than offset a doubling of taxes and increased the company's operating profit to $248,572 from $237,192 the same quarter last year.

Output for the three months ended June 30, 1940, was $646,353 from 157,960 tons of ore milled against $603,188 from 155,525 tons of ore milled for the corresponding period last year. Capital expenditures were higher in the June quarter this year at $25,166 compared with $9,941 last year.

WENDIGO OUTPUT UP

Production of Wendigo Gold Mines was higher in July, $38,884 from 3,124 tons of ore, average $12.42 a ton. In the previous month, $35,250 was recovered from 3,085 tons, average $11.42.

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Higher Coal Cost Found Justified

Price Board Finds Complaints Based on Inadequate Information

From Our Own Correspondent

OTTAWA.—On completion of investigation in price rises for coal, the Wartime Prices and Trade Board has found that for the most part increases have been due to uncontrollable costs which coal dealers are justified in passing on to the consumer.

A large number of complaints regarding coal prices were received by the Board, launching it into a thorough enquiry. The Board will continue to investigate the coal price situation closely as the winter season approaches.

Uncontrollable increases in the price of U. S. anthracite, the Board explained, included 11% on foreign exchange. This would come to 65 cents per ton, plus 24 cents for equalized freight charge payable in U. S. funds. Prior to June 25, the added cost was approximately 90 cents per ton.

Subsequent to June 24, the war exchange of 10% added 67 cents more per ton, making a total net price gain of $1.57. From mid-winter to July 15, it is estimated that base prices at the mines increased 30 cents a ton, bringing the increase to $1.87 a ton.

On British anthracite, exchange rates have been favorable, but production costs have risen 13 to 15 shillings per gross ton, and shipping costs by 3s. 6d. per ton. The resultant increase on the dock in Canada is between $2 and $3 per ton.

Coke manufactured in Canada from U. S. coal bears a price increase of $1.30 per net ton, the Board found.

A further inescapable increase of 5 to 30 cents a ton on U. S. coal is attributed to rising costs of shipping on the Great Lakes, on coal arriving through lakes ports.

Dominion Coal Co. Output Below 1939

From Our Own Correspondent

MONTREAL. — Dominion Coal Co., subsidiary of Dominion Steel and Coal Corp., reports coal output by the Cape Breton collieries during July at 363,972 tons. This contrasts with an output of 348,699 tons in the previous month and with 431,691 tons in July last year.

To Make Lathes In B.C. Plants

Delay in Placing Munition Orders Still Affects Industry

From Our Own Correspondent

VANCOUVER.—British Columbia engineering plants will soon be manufacturing lathes for the production of shells, and this will enable machine shops to become active factors in munitions making for the first time since the last war.

Although a survey carried out before the war indicated that many plants in this province were capable of manufacturing shells, Britain's delay resulted in very little business being placed west of the Rockies. The result is that about 50% of the productive capacity of coast plants is idle.

Ships are being built at five yards along the Pacific coast, but in only a few cases are the engines being made here, and it is declared that had the engine contracts been placed on the coast at the time the ships were ordered the entire programme would have been expedited.

New Books . . . .

Keeping the Peace

GOOD NEIGHBOURS. By Lawrence J. Burpee. Published by Ryerson Press, Toronto. Price 25 cents.

At midnight the beacon-light shines most brightly of all. And in these dark hours Canadian-American friendship shines with great brilliance.

A factor in that friendship is the machinery for settling the cause of possible disputes before the disputes themselves can break out. Chief cog in the machine is the International Joint Commission, of which Mr. Burpee is the Canadian secretary. In this "Contemporary Affairs" pamphlet, one of a series sponsored by the Canadian Institute of International Affairs, Mr. Burpee tells of the work of the commission. It's too bad the pamphlet cannot be translated into all languages, particularly the German, French, Italian and Japanese.

DOME SHOWS GAIN

Production of Dome Mines for July showed increase in both tonnage and total recovery; $661.241 from 51,300 tons; average $12.89 a ton. June output was $659,952, 50,400 tons, $13.09 a ton.

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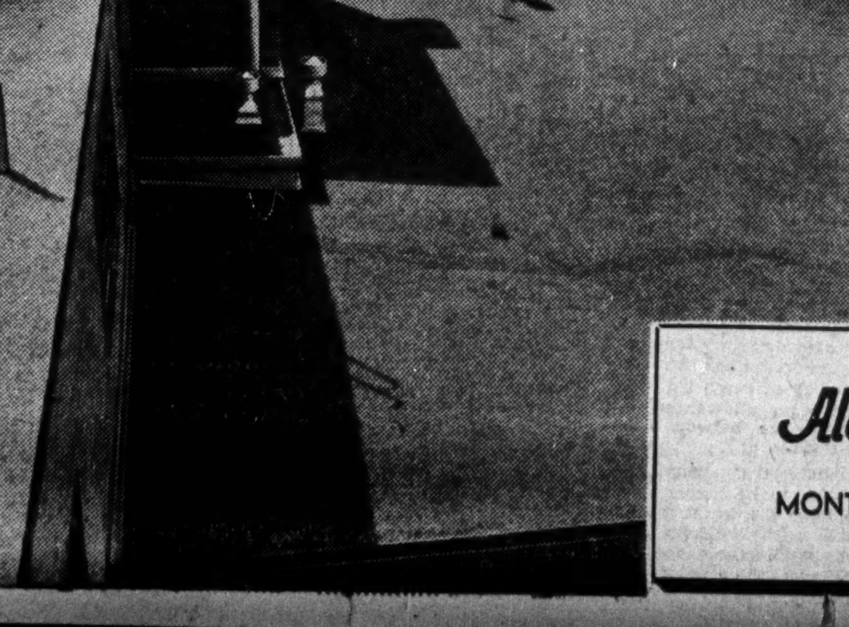

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13 New Mines Join Dividend Ranks

Record So Far This Year Suggests Impressive Total

By GORDON M. GRANT
Staff Writer, The Financial Post

Drastic skid in the prices of junior mining stocks since the war started is unjustified by the record of the companies themselves, if dividends paid are any criterion.

So far in 1940 no less than 13 mining companies have either paid or declared dividends for the first time in their corporate careers. Since only a small number of issues have eliminated or reduced dividend payments, the flow of dividends from Canada's mines seems on the way to new records.

The 1940 crop of new dividend payers is the fruit of several years of mine development. Many of the companies financed mill expansion from earnings. The initial rate of dividends is the more impressive because of this expansion of the production rate in the early stages.

One or two of the mines are now looking forward to still further expansion which can be financed out of profits and working capital and at the same time continue to distribute dividends.

Mostly Gold Mines

Of the new companies paying dividends 11 out of the 13 are gold mining companies. The remaining two are base metals which have reached this position after striving for success for more than a decade.

While official announcements have yet to be made, it is known that several other companies plan dividends before the end of this year. Then, of course, there will be some surprises just as in the first half of this year.

One of the interesting things about initial dividend payments in 1940 has been the wide area over which the new companies are distributed. New mines paying dividends extend from Nova Scotia in the east to Vancouver Island in the west. The Little Long Lac area can pride itself on being the only camp with more than one of the new companies to start dividends.

Brief reviews of the current position of the new dividend payers follow:

New Dividend Payers of 1940 Distribute Substantial Total

	Declared per share $	Total payment $
East Malartic	0.20	800,000
Kerr-Addison	0.05	236,515
Waite-Amulet	0.10	330,000
MacLeod-Cockshutt	0.10	282,149
Sigma Mines (Quebec)	0.30	300,000
Sherritt-Gordon	0.05	243,722
Upper Canada	0.03	88,590
Magnet Consolidated	0.05	150,000
Madsen Red Lake	0.03	104,386
Sturgeon River	0.02	54,995
Gold Belt	0.02	51,000
Spud Valley	0.02	42,000
Guysborough	0.02½	14,748
		698,105

East Malartic

The leading producer in the Malartic area, East Malartic Mines has established itself as the most important new distributor of dividends in present year. A dividend of 10 cents a share will be paid Aug. 31, just three months after the initial dividend of 10 cents paid last June 1. This suggests directors plan dividends of 40 cents per share per annum, payable quarterly.

Earnings in the first quarter of 1940—the only quarter this year on which data has been issued — were 12.2 cents a share. At this rate, directors are expected to be able to pay 10 cents a share each quarter even after allowance for "excess" profits tax which has not been deducted from first quarter profit.

Although East Malartic has had an almost spectacular growth the last few years, indications seem to suggest further growth. The company is just completing a big shaft sinking programme and if the new lower levels open up as limited pilot drilling hints, there will be the ore to warrant considering major expansion. Ore reserves at the end of 1939 were equal to seven years' requirements which is a big reserve for the average gold mine.

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Kerr-Addison

Operating profits of Kerr-Addison have been rising so rapidly that the company was able to pay an initial dividend of 5 cents a share on Aug. 1 even though expanding ore developments presaged further expansion.

Last week the decision on further mill expansion was announced and capacity is to be increased 50%, from 1,200 to 1,800 tons daily. This entire expansion can be financed out of earnings and working capital; there will be no necessity to borrow. Early stages of expansion were financed by borrowing.

Earnings at present have been running better than 30 cents a share, it is understood, and if there is no lowering of the average grade of ore treated, earnings may step up as high as 50 cents a share per annum. Even at the higher milling rate, ore reserves reported at the end of last year would be sufficient for over 5½ years milling.

Recent work on the new low levels has been giving important ore results, a big factor in influencing directors to give the mill one of the biggest single capacity boosts ever given a gold mill in Canada.

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Waite Amulet

Discovery of the immense lower A ore body at Waite Amulet Mines in 1938 put a completely new complexion on that company's affairs.

Time and money were required to translate the rich copper ore into profits and dividends but this has now been done. A new 1,000-ton mill was placed in operation last October and an initial dividend of 10 cents a share was paid July 15. From the present rate of profits, regular dividends seem likely for many years.

Ore reserves at the end of 1939 were equivalent to approximately 10 years' requirements at the present milling rate. Development of the lower A deposit required sinking new shafts and considerable underground preparatory work not yet fully completed. High grade ore from the Waite section of the property still makes up 850 tons of the 1,000 tons of ore being put through daily.

By next October the management anticipates that 1,200 tons of ore daily will be going through the mill. Half of this ore will be coming from the lower A sector.

Earnings in the first half of 1940 were equal to 12.9 cents a share. In view of the higher production rate envisioned for the latter part of this year, earnings in the last half will likely show an increase. How the "excess" profits tax will affect the company is not yet known.

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MacLeod-Cockshutt

Net profits of MacLeod-Cockshutt Gold Mines for the six months ended March 31, 1940, were equal to 10.5 cents a share, an earnings rate that the management expects to improve somewhat with the roaster now in operation. However, the "excess" profits tax will tend to reduce earnings somewhat.

MacLeod has been one of those companies to expand plant capacity from earnings and the first dividend of 10 cents a share was paid April 30 of this year although production was commenced in April, 1938. Dividends might have been started earlier if it were not for discovery of the new north ore zone, changing the whole complexion of the mine. However, the north zone is now proving of immense importance.

Ore reserves given in the 1939 report were something over four years requirements. There appears little doubt that ore exposures this year have resulted in some extension of ore resources.

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Sigma Mines

Another producer which has reached the dividend stage this year is Sigma Mines (Quebec). In response to the Dominion Government's plea for full output of gold, the company recently authorized an increase in mill capacity from 750 to 1,000 tons daily to take effect before the end of this year.

The company paid an initial dividend of 30 cents a share July 27. While it was stated that this should not be taken as an indication of future dividend policy, it appears regular dividends will be distributed in the future although the amount may vary.

Earnings last year were equal to 72 cents a share. Production has been at a considerably higher level this year and there is not believed to have been any marked change in the level of costs except for taxes. Next year earnings will show the effects of the latest increase in mill capacity. Ore reserves are over three years supply.

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Sherritt Gordon

Operating profits for Sherritt-Gordon Mines the last few years allowed the company to pay its first dividend of 5 cents a share July 8. Net profits have not been great as copper has never sold at a high enough figure to allow an important margin of profit.

The company is now doing an extensive exploration programme in an attempt to find higher grade ore bodies which would give a better margin of profit.

With eight years' ore in reserve the company is continuing to realize good operating profits with a chance of net profits this year if the price of copper improves. The downward extension of the main ore body has been located, improving the mine outlook. A strong working capital position is maintained.

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Upper Canada

Although production with the company's own mill commenced only on Oct. 9, 1939, Upper Canada Mines will pay its initial dividend of 3 cents a share Aug. 31 with all indebtedness for mill construction retired. Earnings appear to be well above 10 cents a share even after allowance for the "excess" profits tax.

Responding to the Dominion Government's request for as large a production of gold as possible, output may be stepped up as much as 20 to 25% through treatment of higher grade ore. It is believed that this can be done without unduly "high grading" the mine.

The company seems well fixed for ore ahead of the mill although a large part of it is not yet in the proved category. Last October reserves above the 500-ft. horizon were estimated as sufficient for at least two years.

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Magnet Cons.

Controlled by Northern Empire Mines Co., in turn controlled by Newmont Mining Corp., Magnet Consolidated Mines paid its first dividend of 5 cents a share May 15, 1940. Earnings for the six months the company's mill was in operation last year—were equal to 6 cents a share.

Production so far in 1940 has been perhaps a little higher than the level of 1939. No major expansion has been mooted for this year, the only capital expenditure of importance being for a cyanide unit to save the cost of shipping concentrates to a neighboring mill.

Considerable lengths of high grade ore have been opened up by development this year. Reserves were between one and two years requirements at the end of last year.

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Madsen Red Lake

Higher production at Madsen Red Lake Gold Mines this year will likely offset most of the effects—if not all—of the "excess" profits tax. In the fiscal year ended Feb. 29, 1940, earnings were equal to 8.4 cents a share. Working capital was built up to $235,499 at Feb. 29, 1940, allowing an initial dividend of 3 cents a share on June 25.

The most promising feature of development in the last year has been the location by drilling of ore at depth. Early work had not given much encouragement for finding this downward extension of ore.

At present the company is carrying out an extended programme of exploration to determine possibilities. There is nearly three years' ore supply in reserve.

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Sturgeon River

After its third successive year of profitable operation, Sturgeon River Gold Mines paid its initial dividend of 2 cents a share April 30, 1940. Earnings last year were 2.4 cents a share. With depressed share markets, the company's stock not long ago was valued by the market at less than the working capital in the treasury.

Shaft sinking has been carried on recently and it is anticipated that work will be well advanced on three new levels below the 1,250-ft. horizon by the end of the year. Reserves at the end of last year were approximately 1½ years' mill requirement.

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Gold Belt

With the balance of its $200,000 of production notes repaid on Feb. 2, 1940, Gold Belt Mining Co. was able to pay an initial dividend of 2 cents a share on June 29. The company had no earnings last year but operating profits were substantial.

Recently, it was stated that finding new ore bodies in a new section improved the company's outlook with possibilities for a long productive life much improved.

No estimate of ore reserves was given in the latest annual report.

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Spud Valley

Paying off the balance of its $350,000 mortgage out of profits in the first part of 1940, Spud Valley Gold Mines paid a dividend of 2 cents a share July 10 to become the second dividend-paying mine in the Zeballos area. (Privateer, the first.)

The property was purchased some time ago from A. B. Trites for $450,000 cash and the $350,000 mortgage, one of the biggest gold mining transactions in Canadian mining history. The company gets its ore from typical narrow, high-grade Zeballos veins.

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Guysborough

Nova Scotia's only dividend-paying gold mine, Guysborough Mines, paid its first dividend of 2½ cents a share June 29, 1940. Working capital at the end of 1939 was $66,184, more than double the previous year's total.

The company does not make estimates of ore reserves due to the erratic nature of ore bodies. However, sufficient ore for milling has been placed in sight each of the last few years, the company states. Net profits have been slightly under a cent a share in both the last two years.

Mining Concentrates

Aunor Gold Mines realized an estimated net profit of $111,794 equal to 5.6 cents a share in its initial period of milling operations from Jan. 17 to June 30, 1940. Output was $497,360 from 51,556 tons of ore, an average of $9.75 a ton. On July 31 the mill was handling about 400 tons of ore daily. Millheads were 0.276 oz. An attempt will be made to increase production. The shaft has been carried to 1,250 ft. with a level cut at 1,125 ft.

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Bala Manganese Mines was formed in the early part of this year to take over a manganese property of 10 claims in the Parish of Sussex, N.B. Manganese values are stated to have been found on the property in boulder or nodular form. Preliminary surface work is planned, to be followed by operations with steam shovel. Authorized capital is 100,000 shares of which 50,000 have been issued.

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Cordova Mines, subsidiary of Consolidated Mining and Smelting Co., had an output of $19,410 from 4,627 tons of ore in May; average recovery of $4.19 a ton. This brought production for the second quarter to $47,498 from 12,877 tons of ore; average of $3.68 a ton. In the first quarter of this year, production was $44,924 from 9,477 tons of ore; average of $4.74 a ton. Production started in October, 1939.

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Canadian Malartic Gold Mines has declared a dividend of 2 cents a share payable Sept. 26, 1940, to shareholders of record September 5. Similar dividends were paid on March 28 and June 25 of this year.

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Coniaurum Mines has declared a dividend of 4 cents a share payable Sept. 25, 1940, to shareholders of record Sept. 14, ex-dividend Sept. 12. Payment is subject to approval of the Foreign Exchange Control Board. Similar amount was paid June 25, 1940.

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Codresco Mining Syndicate has been incorporated with an Ontario charter. Authorized capital is 35,000 shares with a par value of $1. Head office is in Toronto.

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Hallnor Mines has declared an interim dividend of 15 cents a share payable Sept. 4 to shareholders of record Aug. 15, 1940.

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Upper Seine Gold Mines has found two new promising veins, the company reports. These veins were located in surface exploration. No assays or further information is available.

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Lapa Cadillac Gold Mines had operating profit of $79,168 for its fiscal year ended June 30, 1940. This profit is before write-offs, depreciation or depletion. Production for the year was $406,055 with 93,946 tons of ore milled for an average recovery of $4.30 a ton. Working capital is stated to have been improved in recent months. J. D. Smith and J. G. Pierdon have been appointed to the board of directors.

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Midwest Iron Mining Corp. recently had a preliminary geological study of its property completed by Dr. E. S. Moore, authority on the iron deposits of the Steep Rock area. The company now plans exploration on the findings of Dr. Moore. Property totals 4,600 acres. Some time ago, further work was reported justified by Sherwin F. Kelly, president of Geographical Explorations.

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Macassa Mines is reported to have taken an option on a group of three claims adjoining its Read-Austin group in the Missanabie area. The three claims were staked by Mining Corp. of Canada. If a company is formed to develop the merged ground, Mining Corp. will receive a share interest.

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MacDonald Mines is now doing surface exploration on the eastern part of its 1,350-acre property in Dufresnoy twp., Quebec. Previous surface work and drilling on the western part of the property reportedly established a mineralized zone over a mile long by 3,000 ft. wide. In the central portion of the property there have also been indications of three gold ore shoots, it is stated. Much further work will be necessary to determine the true potentialities of the property, officials report.

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McWatters Gold Mines had an operating profit of $35,527 in the months ended June 30, 1940, compared with $37,585 in the corresponding period last year. Profits are before taxes, depreciation and deferred development. Production in the June quarter this year was $108,754 from 9,214 tons of ore. Recovery of $105,628 in the June quarter last year was obtained from 8,004 tons of ore and retreatment of 843 tons of tailings.

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Pamour Porcupine Mines reports earnings of 7.2 cents a share for the first six months of 1940 compared with 7 cents a share in the corresponding period of last year. Production showed an increase the first half of this year amounting to $1,349,143 from 292,781 tons of ore compared with $1,268,694 from 287,803 tons of ore the same period last year. Average recovery was higher at $4.66 a ton compared with $4.47. Approximately 20% of mill feed at July 31, 1940, was coming from below the 800-ft. level. Extensive development was being continued on the 1,000, 1,200, 1,400 and 1,600-ft. levels. The minimum tax of 30% on profits is expected to apply for this year, the company reports.

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Straw Lake Beach Gold Mines will resume milling shortly, it is understood. Ore reserves are said to have been built up to between 20,000 and 30,000 tons of ore averaging $15 a ton or better.

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Silver production in Canada in April amounted to 1,769,839 ounces worth $676,521 based on the average price of 38.225 cents an ounce. This compares with 1,786,035 ounces worth $682,712 the preceding month. Production the first four months of this year totals 6,898,363 ounces, an increase of 16.9% over the same period of 1939. Silver production in Canada is now largely a by-product of base metal and gold mining.

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Sigma Mines (Quebec) had increased production in July as reported below:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July	24,433	788	8.05	196,769
June	22,832	761	8.15	186,199

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Warren-Bey Syndicate now owns the property previously held by Bey Mines. In previous work a shaft was sunk 400 ft. with a winze down a further 100 ft.

Mining Enquiries

Lamaque Gold

Does there appear to be much chance of expansion at Lamaque Gold Mines? For several years this company was notable for the rapidity with which output and earnings were expanded and I am wondering if this period of growth is drawing to a close.

Milling operations at Lamaque Gold Mines have been maintained at 1,200 tons daily since early in 1939 with earnings now running between 65 and 70 cents a share. Ore reserves since Jan. 1, 1939, have shown an increase from 742,236 tons to 878,793 tons, but average grade of ore in reserves has shown a decline from $11.20 a ton to $10.08 a ton. No suggestion of a further increase in mill capacity has been heard recently and apparently the management is satisfied with the present level of operations.

As ore reserves are just around two years' supply at the present milling rate, the management would probably want a considerable further increase in ore reserves before a further mill step-up. The company might decide to carry on a more aggressive development with a view to expanding ore reserves, but this would affect costs and current profits unfavorably. From present indications it appears the present mill size suits the property fairly well. Higher milling capacity would increase profits, but unit costs would not likely be so much lower. At a lower milling capacity the life of the mine should be just that much longer.

McIntyre Porcupine

Please give me some indication of the trend of earnings of McIntyre Porcupine Mines. What does the company's working capital work out at?

In spite of the heavier taxation imposed on the company by the new "Excess" Profits tax there are indications that McIntyre Porcupine Mines may show an increase in earnings the present fiscal year. Production was approximately 10% higher in the June quarter than in the corresponding quarter of last year and earnings for the period showed an increase to $1.22 a share compared with $1.18 last year even though the appropriation for taxes was more than double at $385,980.

At the company's annual meeting in June the intention was announced of maintaining mill heads at the average value of ore reserves which would be $12.76 a ton, according to the estimate of March 31, 1940, taking gold at $38.50 an ounce. This compares with an average recovery of a little over $11 a ton in the first half of this year. Output from now on is accordingly expected to be somewhat higher than the level for the first six months; of course some of the gold content of ore must be lost through tailings. With production likely to prove higher, total costs will determine whether profits are going to increase. There are some indications of a shortage of skilled mining labor and any hasty decision that costs are not going to rise is undesirable. Unless a sharper rise in costs is experienced than has so far been the case, however, increase in production will not likely be completely offset by greater costs for some time to come.

McIntyre has the most important investment portfolios of any gold mining company in Canada and net working capital was equal to over $22 a share last March 31, including the company's investments at market value which was somewhat higher than book value.

Chromium M. & S.

Please give me the latest information available on the position of Chromium Mining & Smelting Corp. of which I am a shareholder.

Chromium Mining & Smelting Corporation plans to carry out a reorganization in order to take care of liabilities and to provide necessary working capital, according to the company's president, Leo H. Timmins. Plans for the reorganization will be brought forward at an annual meeting to be called shortly.

In connection with the reorganization it is stated that to introduce new capital, equity of shareholders must undergo some adjustment but that it is intended to protect their rights and interests.

The company believes that it has two commercial products in its low carbon "Chrom-x" and high carbon "Chrom-x." The plant at Sault Ste. Marie now consists of five electric open-arc furnaces, smelting plant, roasting plant and complementary equipment. Construction of most of this plant was carried out by the issuance of $1,250,000 of 5% bonds. Little information has been released recently to indicate just what profits can be realized and full information on the present situation will probably await the calling of the annual meeting.

Toburn Gold Mines reports a slight increase in production in June as follows:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June	4,774	139	20.11	96,004
May	5,004	161	19.06	95,402

Kerr-Addison Boosts Mill

Increase of 50% Expected to Take Effect About Jan. 1, 1940

An increase in mill capacity of 50% was approved by directors of Kerr-Addison Gold Mines at a meeting held last week with construction to start immediately. Construction of the new mill unit, which will bring capacity up from 1,200 to 1,800 tons daily, is expected to be completed about Jan. 1, 1940.

The mill increase is the second 600-ton boost since the company started production May 2, 1938. The first increase practically necessitated building of a new mill as no provision had been made for expansion of that size previously.

Mill Expansion Easy

The present increase from 1,200 to 1,800 tons will not require great expenditure, however, as the present mill building can house all the required new equipment.

No difficulty is anticipated in supplying the new mill with ore. In addition to blocked out and drill-indicated ore, the company had 298,420 tons of ore broken as at June 30, 1940. Plans now call for the installation of crushing facilities at greater depth so ore can be handled from the lower levels.

More Ore at Depth

In addition to the 2,636,469 tons of ore outlined to the 700-ft. level to the end of 1939 and the 1,054,663 tons indicated by drilling, an increase in ore reserves is indicated by recent work at depth. Diamond drilling on the new levels at 1,000 and 1,300 ft. has been completed on three sections, indicating a block of ore 150 ft. long, 25 ft. wide and 500 ft. deep averaging 0.4443 oz. uncut grade and 0.2452 oz. cut per ton.

A new hoist was ordered some time ago for delivery in the autumn. This will give the mine the needed hoisting capacity to handle an enlarged tonnage.

Noranda Earnings Slightly Lower

Profit For First Half $2.31 a Share—"Other Income" Rises

Slightly lower profit was realized by Noranda Mines in the first half of 1940 compared with the first half of 1939 and earnings were equal to $2.31 a share against $2.38 in the corresponding period last year.

Although "miscellaneous income" showed an increase of nearly $400,000 at $1,314,342 the first half of 1940, this was more than offset by taxes which increased $565,000 at $1,470,000. Taxes are taken at the minimum rate of 30% for the 1940 period.

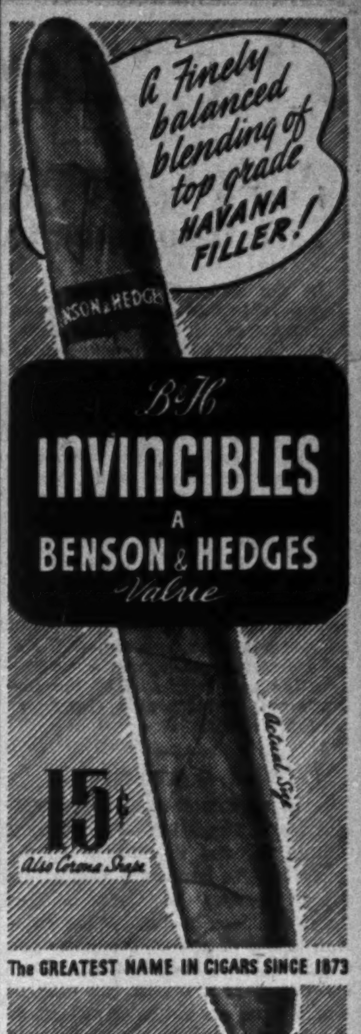
New Producer Expected

Exploration of a property 40 miles from La India in Nicaragua has been encouraging and a new company, Empresa Minera De Nicaragua has been formed. Officials expect consideration will be given to bringing the property into production in the next few months. Compania Minera La India, Noranda's Nicaraguan subsidiary, holds a 95% interest in the new company.

As at July 31, 1940, the La India mill was treating 275 tons of ore daily. Earnings are reported to have been very satisfactory and dividends of $4 a share have been declared from April to July, 1940, inclusive.

Earnings Statement
Six Months Ended June 30

	1940 $	1939 $
Recov., less custom ore	9,109,350	9,041,684
Less: Oper. & gen. exp.	3,503,973	3,462,187
Reserve for taxes	1,470,000	905,000
Net oper. earnings	4,135,377	4,674,497
Add: Miscel. income	1,314,342	926,157
Total income	5,449,719	5,600,654
Less: Depreciation	272,000	270,000
Estimated net profit	5,177,719	5,330,654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Deny Application To Raise Rates

Southern Canada Power Cannot Increase Charges in Drummondville

From Our Own Correspondent

MONTREAL.—Quebec Provincial Electricty Board rejected the request of Southern Canada Power Co. to increase charges in Drummondville which would yield additional annual revenue of $20,880.

This was the last official act of the Board before it assumed its new identity, Quebec Public Service Board.

Additional revenue rates were asked on ground that the city had increased property assessment to an extent involving additional taxes of $20,880 following termination of the 20-year commutation of taxes in 1938.

Way Still Open

While the application was dismissed, the company was given the right to make a new request to distribute the $20,880 among its clients in all the territories it serves.

The city contended that charging Drummondville residents alone would be a tax on these consumers on behalf of plants also used for other territory.

Output, Profits Rise At Coniaurum Mines

Operating profits of $161,797 for Coniaurum Mines in three months ended June 30, 1940, were nearly 20% higher than the $147,278 reported for the corresponding period of last year. Figures in each case are before depreciation but after taxes.

An increase in average value of ore treated was chiefly responsible for the improved 1940 showing. Output of $461,498 in the June, 1940, quarter was obtained from 46,395 tons of ore milled for an average recovery of $9.95 a ton compared with $426,388 from 46,535 tons of ore an average recovery of $9.19 the same period last year.

Development and operating costs in the June quarter this year showed a decline of about $8,000 at $277,241 but taxes were up close to $14,000 at $34,500.

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The 'Legalized' Blue-chip Stocks and Your List

Analyst Appraises Behaviour Of Life Insurance Company Holdings

In the June 22 issue of The Financial Post, Arthur G. Walwyn, the writer of this article, gave a revised portfolio for a businessman. The revision was based upon stocks chosen in The Financial Post's "Investing in Wartime" contest of last fall.

This week Mr. Walwyn submits a further investment study, based upon common stocks authorized for investment by life insurance companies.

Mr. Walwyn is a graduate in Political Economy from the University of Toronto, where he has given a course of lectures on "The Fundamentals of Investment." He is a director and active in the executive and sales end of the investment business with Gairdner & Co., Toronto.

By A. G. WALWYN

Certain common stocks are legalized by Dominion Government Statute for the investment of the funds of Life Insurance Companies doing business in Canada. This statute defines as legal—"the common stocks of any corporation upon which regular dividends of at least 4% per annum or, in the case of stocks of no par value, of at least $4 per share per annum have been paid for the seven years next preceding the purchase of such stocks."

By such definition of legality the Government does not extend a recommendation of any kind to cover common shares so qualified but does, by implication, define a set of terms under which common stocks may be considered to be seasoned, possessing substantial security and earning power, and carrying the likelihood of regular income.

Four Major Questions

I have tabulated below a selected, well-diversified list from among the common shares which are legal for Life Insurance Companies in this country and the following questions in regard to them are of interest to almost every investment account.

1. How have they acted in recent weeks? Which groups have held up best?
2. Is such a list sufficiently diversified and seasoned to constitute the main support of an investment list?
3. Have Life Insurance Companies been increasing or decreasing the percentage of their assets in common shares?
4. What is the outlook for the future? Are they a good purchase now?

Average Decline 21.5%

The accompanying table contains the answers to the first of the questions asked. This fund has shown an average decline in price of 21.52%. This was most marked in the oil stocks but a substantial decline took place throughout. This "Legal for Insurance Company" stock fund had an average value during the first four months of this year of approximately $56,030.63, producing an income of $2,863.50 and a yield of 5.11%. The same stocks could now be purchased for $43,966.25, carrying an income of $2,863.50 and a yield of 6.51%.

To answer the second question, namely, is such a list sufficiently diversified and seasoned to constitute the main support of an investment list, is also very difficult if a categorical answer is required.

There are many conditions.

Never Considered Static

The first condition is that an investment list, in the opinion of the writer, can never be considered as static. There is a time to buy and a time to sell. The prime favorites of 25 years ago have, in many cases, disappeared entirely from the board and yet, on the other hand, ex-President Hoover, in his administration of the funds of Stamford University, took the extraordinary steps of having the court approve of the inclusion of common stocks as against bonds.

There will always be great differences of opinion in regard to common stocks vs. bonds. It will, however, be the very exceptional individual who, thoroughly accepting the responsibilities of change and revision in a list of common stocks, can so supervise such a list as to eliminate those of the declining industries and move into cash or bonds when circumstances require it.

Principle of Diversity

It seems to me that the answer can be put somewhat as follows. An investment account does not appear to be justified, under any conditions, in ignoring the principles of diversity to the point of holding all of its assets in common stocks. The proportion of common stocks may vary considerably and, in the case of private accounts, it may be a much larger proportion than is the case with Insurance Companies; but bonds, mortgages and real estate, if selected with care, have their place and should be included to some degree in such accounts.

SELECTED PORTFOLIO

COMMON STOCKS LEGAL FOR INSURANCE INVESTMENT

No. of shs.		Price Range Jan. to Apr. 1940 High	Low	Average Price	Cost $	Approx. prices to day	Cost $	Div. $	Income $	Yield at Average Price Jan.-Apr. %		Present Yield %		Earnings per Share 1939 $	Earnings after E. P. Tax $
Utilities															
15	Bell Telephone	169	162	165½	2,482.50	148	2,220.00	8.00	120.00	4.83		5.41		8.05	6.67
15	Consumers' Gas	178	169	173½	2,602.50	150	2,250.00	10.00	150.00	5.76	5.16	6.67	5.81	11.95	...
80	Mtl. L. H. & Pr.	31¾	30	30⅞	2,470.00	28	2,240.00	1.50	120.00	4.85		5.36		2.01	1.85
Steel and Heavy Industries															
30	Steel Co. of Can.	86½	76	81¼	2,437.50	62	1,860.00	3.75	112.50	4.61		6.05		9.20	6.77
20	Page-Hersey Tubes	111½	104	107¾	2,155.00	97	1,940.00	5.00	100.00	4.64	4.06	5.15	5.42	6.46	5.36
80	Dom. Bridge	40	35	37½	3,000.00	23½	1,880.00	1.20	96.00	3.20		5.11		.72	.67
Supply Industries															
10	C. I. L., B	235	224	229½	2,295.00	177	1,770.00	7.50	75.00	3.27		4.23		8.52	7.50
100	Ford of Canada, A	22⅝	19⅛	20¾	2,075.00	15⅛	1,512.50	1.00	100.00	4.82		6.61		1.81	1.50
30	Goodyear Tire	87	81	84	2,520.00	70	2,100.00	5.00	150.00	5.94	4.77	7.14	6.15	5.26	...
150	Building Products	17½	15	16¼	2,437.50	13	1,850.00	.80	120.00	4.82		6.15		1.01	.83
Oils															
125	B. A. Oil	23¾	21	22⅜	2,796.88	18	2,250.00	1.00	125.00	4.46		5.55		1.24	1.05
200	Imperial Oil	15⅞	12⅜	14⅛	2,825.00	10⅛	2,025.00	.75	150.00	5.31	5.60	7.41	7.77	.71	.59
150	Int. Pete.	24	20	22	3,300.00	14⅜	2,156.25	1.50	225.00	6.82		10.43		1.19	.96
Foods															
100	Loblaw Groc., B	27	25	26	2,600.00	22¼	2,225.00	1.25	125.00	4.80		5.62		1.49	1.26
200	Laura Secord	13	12¼	12⅝	2,525.00	9½	1,900.00	.80	160.00	6.34	5.80	8.42	7.01	1.00	.81
100	Fanny Farmer	30	26¼	28⅛	2,812.50	24⅜	2,437.50	1.75	175.00	6.22		7.07			*
Textiles															
30	Dom. Textile	90½	86¾	88⅝	2,658.75	80	2,400.00	5.00	150.00	5.64		6.25		7.70	5.38
40	Penmans Ltd.	72	55	63½	2,540.00	54	2,160.00	3.00	120.00	4.72	5.19	5.55	5.92	4.09	3.14
Mines and Metals															
70	Cons. Smelters	49	41	45	3,150.00	32	2,240.00	2.00	140.00	4.44		6.25		2.85	2.42
50	McIntyre Porc.	58	48	53	2,650.00	40½	2,025.00	3.00	150.00	5.66	5.16	7.41	7.22	4.55	3.88
50	Noranda Mines	78¾	68¾	73¾	3,687.50	50½	2,525.00	4.00	200.00	5.28		7.92		4.98	4.07
					56,020.63		43.966.25		2,863.50	5.11		6.51			

Percentage increase in yield 27.39%
Decrease in market value $12,054.38
Percentage decrease in market value 21.52%

*Not believed to be subject to Canadian taxation.

The following table gives the percentage of their assets which seven selected Canadian Life Insurance Companies have invested in common stocks:

Company:	1936	1937	1938	1939
No. 1	3.6	4	3.8	3.6
No. 2	3.5	3.9	3.3	3.7
No. 3	2.5	3.3	3.3	3.5
No. 4	3.3	3.9	4.3	4.5
No. 5	1.7	2.4	2.8	3.3
No. 6	.37	.68	1.21	1.23
No. 7	6.24	7.24	7.49	8.42
Average	3.03	3.63	3.74	4.04

This table indicates that the percentage of common stocks, while gradually increasing, represents only a small proportion of their assets. The principle of diversity is carefully observed on the part of these companies, with bonds and mortgages representing a great proportion of their holdings.

Can "Legal Qualification" be of any use to Executors of Estates?

The statutory definition of "legal investments for Life Insurance Companies" covers, in its full form of course, bonds, debentures and preferred stocks, as well as common stocks; such "legality" is becoming more greatly appreciated in the drawing of wills.

There now exists in each province an act covering the investments which executors of estates may legally make. These statutes vary slightly with each province and have not been altered in the light of the recent financial problems which have seriously affected some of our cities and municipalities. The result has been to reduce substantially those investments for which executors, under the Trustee Act, would care to assume responsibility.

In order to permit their executors a wider range of securities from which to make a selection and yet establish satisfactory restrictions, many persons drawing their wills today include a provision permitting the executors to make investments in those securities which are legal for Life Insurance Companies in Canada.

What of Outlook?

The final question to be answered —"What is the outlook? Are such stocks a good purchase now?"— might be discussed under two heads: the values of today in comparison with levels over recent weeks and months and the effect of the budget on the common stocks under consideration.

Taking the latter question first, there is a widespread interest as to the effect of the Excess Profits Tax on common stocks. This is a question that is being asked on all sides and it has such complications that no simple answer is possible. If a simple answer were possible, it would be given and the continued uncertainty in regard to the effect on these companies would be ended.

"Excess" Profits Theory

The theory behind the imposition of the "Excess" Profits Tax is that the large orders being placed as a result of Canada's war effort will so increase the spending power of consumers and the volume of business that most companies will be able to operate at effective capacity and show profits substantially in excess of average and because this excess is due to our war effort, the company and its shareholders shall be obliged to contribute the major portion of these excess profits to the carrying on of the war.

There is ample evidence that the placing of such orders has already had a material influence upon our business life. The output of electric power stations for five months ending May 31 this year was 12,389 million kw.h., in comparison with 11,499 million kw.h. for the same five months of last year, an increase of 890 million kw.h., or 7.8%. Employment in Canada has also increased. The value of building permits for the first five months of the year showed an increase of 87%, amounting to $36.90 millions, compared with $19.7 millions in 1939.

Under such conditions the great majority of merchandising companies should be experiencing a sufficient increase in their business to pay what "Excess" Profits Taxes will apply and to maintain their dividends at the current rate. This should particularly apply to such common stocks as are legal for insurance companies because their qualification reflects a selection based on steady earnings and well proved dividend paying ability in the past.

Four Stocks Affected

It will be observed that of the stocks mentioned, there are, as indicated in the last two columns in the accompanying table, only four that are likely to be affected and these possibly because a considerable proportion of their costs are fixed and they will not be able to adjust themselves as rapidly as the other companies to such higher costs as they may experience.

In regard to the volumes of today in comparison with the general level of stocks over recent years and months, The Toronto Stock Exchange average of industrial stocks fell from an average in January to April, 1940 of 124.23 to 92.79 on July 27, 1940, a drop of 25.31%. This compares with the fall of 18.39 in the case of the selected legal stocks used in the above table.

We Are at War

On the other hand, we must realize that we are engaged in a war which will require our total effort. The length of the war and the sacrifices required cannot be determined and the next month is probably one of the most critical in the next twelve.

An opinion so qualified with "ifs" as to cancel itself is of no particular value and yet the unknown factors are such as to make anything in the way of prophecy purely a guess.

To summarize. It might be possible to say that industrial activity, the volume of employment and the increase in spending power in this country have reached new high levels and are expected to increase. This development coincident with common stocks being available upon particularly attractive terms both in comparison to the income obtainable in the past and in comparison to the income obtainable from bonds has led to the conclusion that during the last month good common stocks could be considered to have been in an attractive buying range. That, barring major disaster of a military or naval character, these values will not continue to be available. The next month or six weeks carry exceptional military hazards and events may provide some temporary buying opportunities. A careful study of common stocks, with a view to substantial commitments between now and the first of October, as opportunity occurs, should prove to be extremely valuable.

Exposition Depicts Nation's War Effort

National Exhibition Will Mirror Contributions in Varied Fields

For years one of the major factors in creating travel flows within and into Canada, the Canadian National Exhibition this year will seek both to aid and mirror Canada's war effort in several sectors of the home front.

Potential obstacles for a time threatened to break the C.N.E. record of over 60 years consecutive annual expositions. They were dissipated in collaboration with defense authorities and other Government branches. The 1940 show will be officially opened by the Governor-General, the Earl of Athlone, on Aug. 23 and run for the customary fortnight.

With the exception of the R.C.A.F. manning depot, all of the troops quartered in the Exhibition grounds at Toronto will have been moved to summer camp or elsewhere by the time the 1940 season swings under way. The Air Force unit on the grounds, in effect a preliminary instruction centre and clearing house for recruits for the various training and active units of the Air Force, will not interfere with the normal programme of Exhibition activities.

Added Attraction

On the contrary, continued quartering of the unit at the C.N.E. will provide an added attraction for Exhibition visitors and add to the general effort to highlight Canada's war effort through the "big fair."

About 2,500 Air Force men will be quartered at one end of the Exhibition Coliseum. Groups of them will stand guard around the building, stage guard-changing ceremonies similar to those at Buckingham Palace, and take part in flag lowering ceremonies each day at the Exhibition's 185-foot flagpole.

Tourist Magnet

The Exhibition's peacetime power to promote travel from other parts of Canada and the United States, will take on added importance this year in view of the vital need of tourist spending to build up Canada's foreign exchange resources. Despite the curtailment so far this summer of the regular flow of U.S. tourists through Canada, C.N.E. officials are hopeful that the volume of U.S. visitors to the Exhibition will be little if any below normal.

Special efforts have been put forth to assure prospective visitors of the lack of wartime restrictions on Americans' entry into Canada and their freedom to do what they wish while here. Advance signs are that thousands of both Americans and Canadians will take in the C.N.E. as part of their vacations trips.

Any reduction in number of U.S. visitors should be offset by a larger number of Canadian patrons, as Canadians' spending power is greater this year and they cannot holiday in the U.S.

Reflect War Effort

In addition to carrying on its usual function of dramatizing Canadian progress in industry, agriculture, and the arts and sciences, this year's Exhibition will epitomize the nature and resources of Canada's war effort in a variety of fields. Both exhibits and programmed activities will depict what is being done by the armed forces, industry, agriculture, and citizens generally to help win the war.

The Canadian National Exhibition, mammoth show window of the country's progress in industry, agriculture, the arts and sciences, will again look like this from the air within a couple of weeks. The 350-acre Exhibition Park at Toronto will be thronged with cars, people and exhibits as the "big fair" officials launch the annual two weeks season.

The Exhibition has put forth special efforts to overcome difficulties arising out of the war and to reflect Canada's war effort in varied fields, so as to maintain a record of over 60 years of staging annual shows attuned to Canada's current tempo of effort.

Paralleling these, of course, a vast array of regular exhibits will reflect the "business as usual" pace of Canadian industry and business.

In addition to the visible sample of Air Force troops, a special display will include most types of bombers and fighter craft being used in the war, as well as aircraft instruments. R.C.A.F. flyers may stage several aerial demonstrations over the grounds during the Exhibition.

Motor Equipment

The major contribution to war needs of Canadian automotive plants and allied industries will be reflected in exhibits in the Automotive Building of army motorized units, armored and otherwise. A display of the Bren gun and components has been arranged for the National Industries Building.

To demonstrate the important rôle Canadian agriculture can and is playing in the war, the Ontario Agricultural College will present an exhibit spotlighting the latest methods in production of milk, bacon, wool and other wartime necessities among primary products.

Fewer Foreign Displays

The chief if not the only effort of the war in curtailing the scope and variety of the Exhibition, will be seen in the international section. In past years the number of foreign exhibits has run to a score or more. This year the only foreign displays will be those depicting the resources of Finland; Switzerland, Netherlands East Indies, and Czecho-Slovakia.

Those of the first three will have official sponsorship of the governments of the countries concerned, through their foreign trade agencies. The Czech exhibit will be sponsored by a group of Canadians and Czechs, known as Friends of Czecho-Slovakia in Canada, and working for restoration of that country's freedom.

Empire Displays

In addition, however, the British and Empire displays of government, industrial and trade groups will be continued with exhibits from the United Kingdom, Australia, South Africa and India. The U.K. display, sponsored chiefly by trade associations and industrial groups, will be the largest ever staged at the Exhibition. The British and Empire displays are especially important this year in view of the need of maintaining foreign trade and building up dollar exchange, by Empire countries in the sterling bloc.

Featured sections in the British display will be devoted to chinaware, textiles, leather and saddlery, the last mentioned exhibit being sponsored by the Association of Leather Goods and Saddlery Manufacturers.

Space previously occupied by exhibits of foreign nations not showing this year will be largely occupied by a special exhibit depicting four model Canadian homes, and staged by makers of building materials and home furnishings. The exhibit space occupied by Canadian industrial and commercial interests shows no reduction from last year, and agricultural displays are somewhat greater than in previous years.

U. S. Radio Programme Gives Canada Boost

Strong boost to Americans of Canada's attractions as a tourist holiday playground, and an antidote for the distorted rumors against Canadian vacations circulated by enemy agents, were embodied in a recent broadcast of the Lowell Thomas news digest programme. This programme, sponsored by the Sun Oil Co., is heard over a transcontinental radio network by a tremendous number of U. S. listeners.

During the brief commercial interpolation of the recent broadcast the Sunoco announcer said:

> "Up in Canada, the latch string is out and a warm welcome awaits American tourists this summer. So why don't you take a trip through Canada this summer? Prices are exceptionally reasonable all over the Dominion, and Canadian food is as appetizing as ever. What's more, it's easy for American citizens to get in and out of Canada. No passports are needed—just the same simple identification you would need to cash a cheque away from home."

New Highway in Quebec Taps Mining Areas

Seven years in the building, the 165-mile highway from Mont Laurier to Senneterre, Que., was formally opened last week by Hon. T. D. Bouchard, Quebec minister of highways and public works. Linking the southern part of the province with the northwestern mining district embracing such famous points as Val d'Or, Rouyn and Noranda, the new road also ranks as a valuable addition to tourist facilities and taps areas rich in fine scenery and other tourist attractions.

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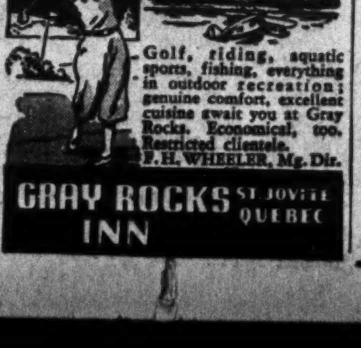

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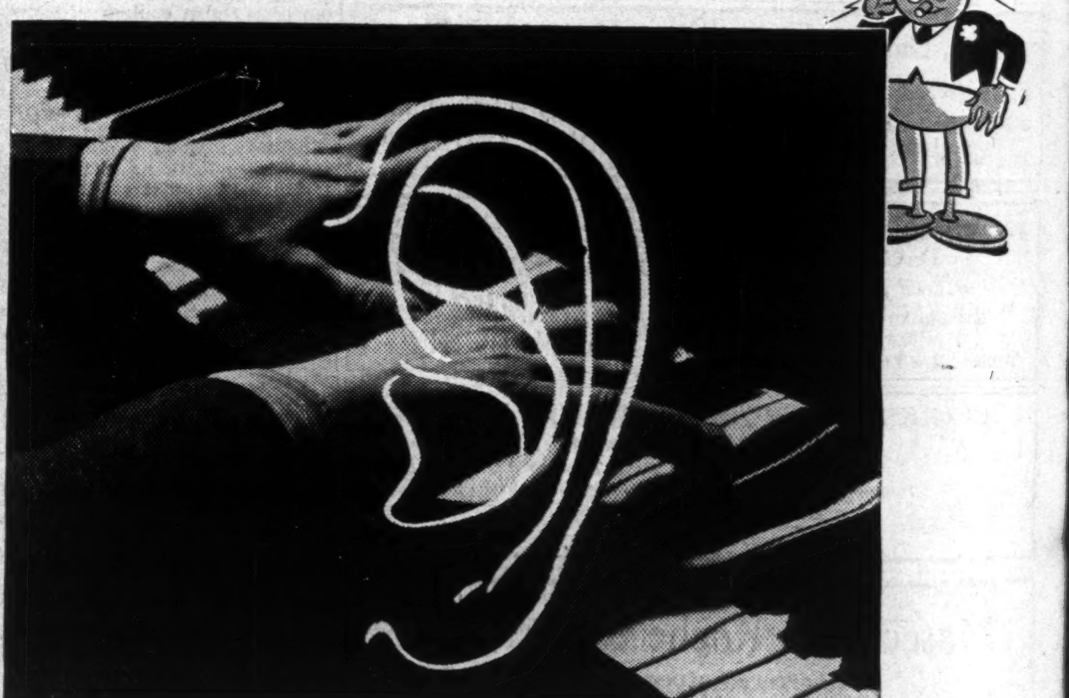
WHEN YOU TRAVEL
Canadian Pacific Express
TRAVELLERS CHEQUES

Wherever YOU GO
... Add to the enjoyment of your vacation with the smartly correct styling and the crushless packing convenience of genuine ...
McBRINE
THE Baggage WITH CHARACTER
McBRINE BAGGAGE
Shown: MAN'S AEROPACK AND LADIES TRAVEL TWINS



HAVE YOU TRIED "EAR" APPEAL?

EYE appeal ... colour appeal ... price appeal ... sex appeal ... all familiar phrases to you. Of growing importance is the newer appeal of radio, an appeal which yearly exerts a greater influence upon sales ... have *you* tried "ear" appeal in advertising?

The ear appeal of radio has many distinct advantages in selling. When properly used it is warm, real, personal, persuasive and convincing in its approach. It is YOU speaking directly to YOUR prospect ... an approach which salesmen have always claimed to be the most effective and which sales results of radio-advertised products confirm.

Discuss radio with your advertising agency and let them add this strong medium to your fall and winter campaign. The "All-Canada" representative will gladly co-operate by supplying information on rates, time, and stations. His practical experience will help build a programme with "ear appeal" for the people you wish to reach. "All-Canada" service is available through any recognized advertising agency without cost or obligation. Write or phone our nearest branch.

ALL-CANADA
ALL-CANADA RADIO FACILITIES Limited
MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER
Exclusive Representatives of Leading stations from Coast to Coast